THE Freeman

IDEAS ON LIBERTY

NOVEMBER 1966

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THE FREEMAN

NOVEMBER 1966

Vol. 16, No. 11

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NOVEMBER 1966 Vol. 16, No. 11

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# the Freedom Nobody Wants . . .

EDMUND A. OPITZ

FREEDOM TODAY has what might be called a good press; everyone speaks well of freedom. It is in the same category as motherhood, Sandy Koufax, and pure water. Nobody will admit that he is "agin" freedom. In modern times there has been a booming market for the Four Freedoms, and for Freedom Now. There is a vocal Free Speech Movement on college campuses. We celebrate freedom of the press and condemn censorship; we cherish religious liberty and hail academic freedom. The mood of our time is favorably disposed toward every freedom except one, and that outcast freedom is Freedom of Economic Enterprise.

Economic freedom suffers attrition from within and attacks from without. Individual businessmen often seek to evade market mandates, and intellectuals do not want people to have complete latitude for their peaceful economic transactions. This is how Professor Milton Friedman views the problem: "It has often seemed to me that the two greatest enemies of the free market are businessmen and intellectuals, for opposite reasons. The businessman is always in favor of free enterprise—for everybody else; he is always opposed to it for himself. The intellectual is quite different; he is always in favor of free enterprise for himself, always opposed to it for everybody else. The businessman wants his special tariff or his special governmental commission to interfere with free enterprise, in the name, of course, of free enterprise. The intellectual, too, wants such commissions to con-

This article is one of the seminar lectures delivered by the Reverend Mr. Opitz as a member of the staff of the Foundation for Economic Education.

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trol the rapacious man. But he is against the idea of any interference with his academic freedom, or his freedom to teach what he wants and direct his research as he wants – which is simply free enterprise as applied to him."[1]

I wish to focus first on economic freedom and demonstrate that maintaining the integrity of the free market is essential to the preservation of every other liberty. Later I shall deal with some of the things on which the free market depends.

### *Freedom to Think*

Liberties of the mind are self-evidently valuable to most intellectuals. No man whose business it is to think and write, no man who deals in ideas, wants his efforts along these lines to be hamstrung. He wants to be free to think daring thoughts and come up with novel ideas that challenge the prevailing orthodoxy. And he is right. Mankind has no way of advancing *en masse;* every step forward out of primitivism has been accomplished first by some innovator who moved out beyond the herd and then drew the rest of us painfully forward. There is a sort of gravitational pull that operates on the human enterprise, which makes our normal condition one of stagnation. We get on dead center and most of us are content to stay there. Then, along comes some inventor with a new idea which counteracts the pull of gravity, and we move off dead center. Thus, over the millennia, have people climbed the stiff ascent of civilization – only to slide down over the other side when they neglect the intellectual and spiritual heritage which spurred their climb.

Liberties of the mind are not under serious attack today. Nearly everyone favors the freedom to think, write, teach, preach, and publish. But it seems to many scholars and intellectuals that the grubby concerns of the market place are beneath them. They have little concern with what takes place in factories, stores, and banks because, after all, this is the material side of life and the intellectuals are concerned with higher things, with things of the mind. And so it happens that many believers in freedom in general attack economic freedom in particular.

In this they are not only wrong, they are disastrously wrong; there is an economic base supporting every one of the intellectual and spiritual freedoms these people cherish. And if this economic base is not free, if authoritarian controls are wrapped around this economic base, the controls will inevitably and eventually extend to

[1] *Farmand* II/12, 1966, page 51.

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the superstructure. Liberties of the mind and spirit do not and cannot exist in a vacuum; they form, in connection with economic liberty, a package, and this package cannot be picked apart without being destroyed.

### The Economic Foundations

The arguments which support the right of a man to spend his energies in any peaceful way he chooses in the editorial office, the classroom, or the pulpit, likewise support his right to the free exercise of those energies in his store or factory. Or, to put it the other way round, every argument for controlling the peaceful exercise of a man's energy in his workshop is an equally valid argument for controlling him in his study or classroom. Freedom is all of a piece; philosophizing is not the same as digging a ditch, but socialize the ditchdigger and the philosopher begins to lose some of *his* freedom. Freedom in the market place and liberties of the mind go together.

George Santayana reflected sadly that the things that matter most in life are at the mercy of the things that matter least. A bullet, a tiny fragment of common lead, can snuff out the life of a great man; a few grains of thyroxin one way or the other can upset the endocrine balance and alter the personality, and so on. But the more we think about this situation and the more instances of this sort we cite, the more obvious it becomes that the things Santayana declared matter least, actually matter a great deal. They are tied in with the things which matter most and the things which matter most depend on them! In precisely the same way, economic liberty matters a great deal because every liberty of the mind is connected with freedom of the market, economic freedom. There's an old proverb to the effect that whoever controls a man's subsistence has acquired a leverage over the man himself, which impairs his freedom of thought, speech, and worship.

F. A. Hayek put it this way: "Economic control is not merely control of a sector of human life which can be separated from the rest; it is the control of the means for all our ends."[2]

The government of a totalitarian country like Russia or China acts as a planning board to direct the production and distribution of goods. In practice, there is bound to be a lot of leakage – as witness the inevitable black market. But to whatever extent the state does control the economic life of a people, it directs every other aspect of life as well.

[2] *The Road to Serfdom*, page 92.

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### *No Room for Rebels*

The masses of people everywhere and at all times are content to drift along with the trend; they pose no problem for the planner. But what happens to the rebels in a planned economy? A man who wants to publish an opposition newspaper in a place like Russia or China would have to obtain presses, paper, and a building from the state – to attack the state! He would have to find workmen willing to risk their necks to work for him; ditto, people to distribute; ditto, people willing to be caught buying or reading the paper. Or take the orator who wants to protest. Where could he find a platform in a country in which the state owns every stump, street corner, and soap box – not to mention every building. Suppose you didn't like your job, where could you go and what could you do? Your job is pretty bad, but it is one notch better than Siberia or starvation, and these are the alternatives. Strike? This is treason against the state, and you'll be shot. Listen to George Bernard Shaw, defining socialism, writing in *Labor Monthly*, October, 1921: "Compulsory labor, with death as the final penalty, is the keystone of socialism."

Under primitive economic conditions a man has to be a jack-of-all-trades, able to turn his hand to a variety of occupations. If a pioneer family wants shelter, it builds a sod house or a log cabin; if it wants clothing, it weaves the cloth and fashions the garment; if it wants potatoes, it raises them; if it wants meat, it shoots a deer; and so on. But we live in a division of labor society where individuals specialize in production and then exchange their surpluses for the surpluses of other people until each person gets what he wants. Most of us work for wages; we produce our specialty, and in return we acquire a pocketful of dollar bills. The dollars are neutral, and thus we can use them to achieve a variety of purposes. We use some of them to satisfy our needs for food, clothing, and shelter; we give some to charity; we take a trip; we pay taxes; we go to the theater; and so on. Our money is a means we use to satisfy our various ends.

### *A Science of Means*

Economic action by itself does not generate a world view, although Marx believed it does. Economics has often been called a science of means. The economist, speaking as an economist, does not try to instruct people as to the nature and destiny of man, nor does he try to guide them toward the proper human goals. The ends or goals people strive

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for are, for the economist, part of his given data, and his business is merely to set forth the means by which people may attain their preferences most efficiently and economically. Let me buttress this point by a quotation from Ludwig von Mises: "It is true that economics is a theoretical science and as such abstains from any judgment of value. It is not its task to tell people what ends they should aim at. It is a science of the means to be applied for the attainment of ends chosen, not, to be sure, a science of the choosing of ends. Ultimate decisions, the valuations and the choosing of ends, are beyond the scope of any science. Science never tells a man how he should act; it merely shows how a man must act if he wants to attain definite ends."[3]

When people are free to spend their money as they please they will often spend it foolishly. As consumers, they will demand—and producers will obediently supply—goods that glitter but are shoddy; styles that are tasteless; entertainment that bores; and music that drives us nutty. Nobody ever went broke, H. L. Mencken used to say, by underestimating the taste of the American public. But this, of course, is only half the story. The quality product is available in every line for those who seek it out, and many do. The choices men make in the economic sector will be based upon their scales of values; the market is simply a faithful mirror of ourselves and our choices.

[3] *Human Action*, page 10.

### *The Realm of Ends*

Now, man does not live by bread alone, and no matter how much we increase the quantity of available material goods, nearly everyone will acknowledge that there is more to life than this. Individual human life has a meaning and purpose which transcends the social order; man is a creature of destiny.

As soon as we begin talking in these terms, of human nature and destiny, we move into the field of religion – the realm of ends. And a science of means, like economics, needs to be hitched up with a science of ends. The more abundant life is not to be had in terms of more automobiles, more bathtubs, more telephones, and the like. The truly human life operates in a dimension other than the realm of things and means; this other dimension is the domain of religion – using the term in its generic sense.

If we as a people are squared away in this sector of life, we'll be able to take economic and political problems in our stride. On the other hand, if there is widespread

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confusion about what it means to be a human being, so that people are at sixes and sevens in this matter of the proper end of human life – some seeking power, others wealth, fame, publicity, or pleasure – then our economic and political problems overwhelm us. If economics is a science of means, that is, a tool, we need some discipline to help us decide how to use that tool. The ancient promise is that if we put first things first, by giving top priority to the search for the Kingdom of God, our actions will then conform to the law of our being, and we'll get the other things we want as a sort of bonus. You may rephrase this idea, if you wish, to put it into a contemporary idiom; but the truth of it is hardly contestable.

### *The Rules for Prosperity*

I have spoken of economics as a science of means. What is the distinguishing feature of a science, and in what sense is economics a science? Adam Smith entitled his great work, *The Wealth of Nations;* one of Mises' books is entitled, *The Free and Prosperous Commonwealth.* It is clearly evident that these works deal with national prosperity, with the overall well-being of a society, with upgrading the general welfare. These are works of economic science, insofar as they lay down the general rules which a society must follow if it would be prosperous.

The distinguishing feature of a science, any science, is that it deals with the general laws governing the behavior of particular things, often reducing these laws to mathematical relationships. Science is not concerned with particular things, except insofar as some particular thing exemplifies a general principle. When we concentrate on a particular flower, like Tennyson's "flower in the crannied wall," we move into the realm of art and poetry. Should we want the laws of growth for this species of flower, we consult the science of botany. These books by Smith and Mises lay down the rules a society wishing to be prosperous must follow. They do not tell you as an individual how to make a million in real estate, or a killing in the stock market. This is another subject.

The question before the house in economic inquiry is: "How shall we organize the productive activities of men so that society shall attain maximum prosperity?" And the answer given by economic science is: "Remove every impediment that hampers the market and all the obstructions which prevent it from functioning freely. Turn the market loose and the *nation's* wealth will be maximized." The

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economist, in short, establishes the rules which must be followed if we want *society* to be prosperous; but no conceivable elaboration of these rules tells John Doe that he *ought* to follow them.

### A Guide for Personal Conduct

There's a big IF here. If John Doe wants to know how to maximize the general well-being, the economist can tell him which rules to follow. But this might not be the only question we are asking. What John Doe may want to know is, "How can I make a million with no sweat?" Of course he has a stake in a prosperous society because he knows that it will be easier for him to make a million in a rich society than in a poor one, but his interest in the rules for national prosperity are secondary to his interest in lining his own pocket. He may understand the case for the free market, but nevertheless decide that he can do better for himself by getting in on a racket.

Economic science can prescribe for general prosperity, but it cannot tell John Doe that he ought to obey that prescription. That job can be performed, if at all, by the moralist. The problem here is to bridge the gap between the economist's prescription for national prosperity and John Doe's adoption of that prescription as a guide for his personal conduct. Only a sense of moral obligation – and not additional economic arguments – can persuade John to close this gap.

Enter the moralist. Economics is a science of means. It abstains from judgments of value and does not tell John Doe what ends he should aim at. If you want to persuade John Doe to follow the rules of economics for maximizing prosperity you must argue that he has a moral obligation to conform his actions to certain norms already established in his society by the traditional ethical code. He should deal justly and fairly with his fellows, he should injure no man, he should not steal, and so on. Practice the ethical code and the rules for national prosperity can be taken in stride; but in the absence of an ethical code which John Doe tries to live up to, there's no reason for any of us to feel any moral obligation for national prosperity when our own enrichment is a much more immediate concern.

### Ethical Considerations

If we want a free market and a free society, we need a genuine ethic. This genuine ethic is available to us in the traditional moral code of our culture, which extols justice, forbids murder, theft, and covetousness, and culminates in

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love for God and neighbor. This is old stuff, you say; true, but it's good stuff!

The market is not something which comes out of nothing. It emerges naturally whenever the conditions are right, and those right conditions provide a framework for the market to keep it functioning smoothly. In other words, there is a realm of life outside the realm of economic calculation, on which the market depends. Let me cite Ludwig Mises again, when he speaks of beauty, health, and honor, calling them moral goods. He writes: "For all such moral goods are goods of the first order. We can value them directly; and therefore have no difficulty in taking them into account, even though they lie outside the sphere of monetary computation."[4] In other words, the market is generated and sustained within a larger framework consisting of, among other things, the proper ethical ingredients. There are also political and legal elements in this framework, and a theological dimension as well.

### *Scarcity of Resources*

As well as being a science of means, economics is also a science of scarcity. Goods which are not scarce, such as air, are not economic goods. Economics deals with things which are in short supply, relative to human demands for them. Our situation on this planet is an unbalanced equation with man and his wants on one side, and the world of raw materials on the other. The human being is a creature of insatiable wants, needs, and desires; but he is placed in an environment where the means of satisfying those wants, needs, and desires are scarce. Unlimited wants on one side of the equation; limited means for satisfying them on the other.

Now, of course, it is true that no man, nor the human race itself, has an unlimited capacity for food, clothing, shelter, or any other item singly or in combination. But human nature is such that if one want is satisfied, the ground is prepared for two others to come forward with their demands. A condition of wantlessness is inconceivable, short of death itself. Even if a condition of repletion and satiety can be imagined, this condition itself begets a want – the desire to be left alone for rest and relaxation. Rest and leisure, however, are breeding grounds for a renewed set of wants and demands.

This creature who demands more, whose wants are insatiable, is placed in an environment where there is not, and can never be, enough. Almost everything is

[4] *Socialism*, page 116.

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scarce. In the first place, the planet is crowded; there is not enough elbow room in the pleasant places of the earth to accommodate everyone with as much *Lebensraum* as he would like. Second, resources, the raw material which we must by our labor transform into consumable goods, are limited in quantity. Third, our individual supply of energy is limited; we get tired, and so we have to economize our strength with labor-saving devices. Fourth, time is always running out on us, and time is valuable. Finally, the planet's physical energy is scarce, nor will the common use of atomic power alter this fact; not even an atomic reactor is a perpetual motion machine.

### *An Eternal Problem*

What does this all mean? The upshot of all this is that the economic equation will never come out right. It's insoluble. There's no way of taking a creature with unlimited wants and satisfying him by any organization or reorganization of limited resources. Something's got to give.

Economics is the science of scarcity, but the scarcity we are talking about in this context is a relative thing. Whenever we drive in city traffic, or look vainly for a place to park, we are hardly in a mood to accept the economic truism that automobiles are scarce. But of course they are, relative to our wants. Who would not want to replace his present car or cars with a Rolls Royce for Sundays and holidays, plus an Aston Martin for running around?

These simple facts make hash of the oft-repeated remark that "we have solved the problem of production, and now if we could just distribute our abundance more equitably – which of course is a problem that only government can solve . . .," and so on. Economic production does involve engineering and technology, in that men, money, and machines are linked to turn out airplanes, or automobiles, or tractors, or typewriters, or what not. But resources are limited, and the men, money, and machines we employ to turn out airplanes are not available for the production of automobiles, or tractors, or anything else. The dollar you spend for a package of cigars is no longer available to buy a movie ticket. With the resources available to us we might produce a number of different commodities, but obviously we could not produce as much of every commodity as everyone would want. The problem of deciding to use our resources to produce the gizmo rather than the thing-a-ma-jig is an entrepreneurial decision, but no matter who makes the decision,

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something has to be sacrificed when we commit our resources to one thing rather than to the other possibilities.

Similarly with John Kenneth Galbraith and his Affluent Society. We do have an economic abundance that would astonish Adam Smith, but this merely confirms the free market economics that Smith expounded. There is not, as Galbraith claims, a new economics of abundance which outmodes the old economics of scarcity, for however abundant commodities become they will still be scarce relative to human wants and desires.

### *No Short-Cut Solutions*

The economic equation can never be solved; to the end of time there will be scarce goods and unfulfilled wants. There will never be a moment when everyone will have all he wants. "Economics," in the words of Wilhelm Roepke, "should be an anti-ideological, anti-utopian, disillusioning science,"[5] and indeed it is. The candid economist is a man who comes before his fellows with the bad news that the human race will never have enough. Organize and reorganize society from now till doomsday and we'll still be trying to cope with scarcity. But the modern mind takes the dogma of inevitable progress for granted. Most of our contemporaries assume that day by day, in every way, we are getting better and better, until some day the human race will achieve perfection. The modern mind is passionately utopian, confident that some piece of social machinery, some ideological gadgetry, is about to solve the human equation. Minds fixed in such a cast of thought, minds with this outlook on life, are utterly immune to the truths of economics. The conclusions of economics, in their full significance, are incompatible with the facile notions of automatic human progress which are part of the mental baggage of modern man.

There is genuine progress in certain limited areas of our experience. This year's color television set certainly gives a better picture than the first set you bought in, say, 1950. The jet planes of today deliver you more rapidly and in better shape than did the old prop jobs. Automobiles have improved, we have more conveniences around the house, we are better equipped against illness. There has been true progress in certain branches of science, technology, and mechanics. But are the television programs improving year by year? Are the novels of this year so much better than the novels of last year, and last century? Are the playwrights whose offerings we have seen on Broad-

[5] *The Humane Economy*, page 150.

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way this season *that* much better than Shakespeare? Has the contemporary outpouring of poetry rendered Homer, Dante, Keats, and Browning obsolete? Is the latest book on the "new morality" superior to Aristotle's *Ethics*? Are the prevailing economic doctrines of 1966, reflecting the Samuelson text, sounder than those of a generation ago, nourished on Fairchild, Furness, and Buck? Are today's prevailing political doctrines sounder than those which elected a Grover Cleveland? Henry Adams in his *Education* remarked that the succession of presidents from Washington, Adams, and Jefferson down to Ulysses Grant was enough to disprove the theory of progressive evolution! What would he say if he were able to observe the recent past?

The dogma of inevitable progress does not hold water. Perfect anthills and beehives are within the realm of possibility; but a perfect human society, never! Man is the kind of a creature for whom complete fulfillment is not possible within history; unlike other organisms, he has a destiny in eternity which takes him beyond biological and social life. This is the world outlook of serious religion, and the conclusions of economics are just what a person of this cast of mind would expect. Economic truths are as acceptable to this world view as they are unacceptable to the world view premised on automatic progress into an earthly paradise. If there is another dimension of being which transcends the natural order – which is comprised of the things we can see and touch, weigh and measure – and if man is truly a creature of both orders and at home in both, then he has an excellent chance of establishing his priorities in the right sequence. He will not put impossible demands on the economic order, nor will he strive for perfection in the political order. He'll leave heaven where it belongs, beyond the grave! Let us strive for a more moderate goal, a tolerable society, and we may make it!

### *The Need for Government*

Man is the kind of a creature who seeks to economize scarce goods, and so he invents labor-saving devices. The primordial labor-saving device is the market, which enables men to freely exchange the results of their specialization for items they prefer. In a typical economic transaction you walk into a bookstore and stumble upon a volume which you need to complete a set; it is in good condition and the price of $2.00 is right, so you buy it. You are delighted to exchange your two dollars for the book, and the pro-

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prietor who had been anxious to sell it is happy to have your money. Satisfactions on both sides of this exchange have been enhanced.

But there are other kinds of action in society where goods and services are not exchanged for goods and services to the benefit of both parties; there is theft, and predation, and violence. The same human drives which issue in economic action, namely, the need to economize on scarce means, might drive a man into theft for, as has been observed: robbery is the first labor-saving device. There is only one way by which wealth comes into being, and that is by production; but there are two ways by which wealth may be acquired: first, by producing it, and second, by helping yourself to the fruits of someone else's production.

Contingencies of this sort in society create a demand for the protection of the peaceful and productive activities of men, that is to say, for government. The market is simply a name for the peaceful and voluntary exchanges of goods and services occurring constantly between people who trade the results of their specializations. It is the organization of peaceful means. Policing, by contrast, is the regulated use of force against peacebreakers for the protection of peaceful people; it is the organization of coercive means. When a policeman overtakes a thief and forces him to disgorge the items he has stolen, he may use something stronger than persuasion; he may use a club or a gun. In any event, the policing transaction, in contrast to an economic exchange, does not enhance the general level of well-being of both parties to the exchange. Policing, in other words, cannot be organized as a market transaction; although policing costs money, it is not within the domain of economics.

Carry the argument through one more stage: Two men differ in wealth today because their market place offerings of goods and services yesterday and the day before met with varying receptions. Because the buying public appreciates the man who sings like a Beatle more than the man who philosophizes like a Socrates, the former is rich, the latter poor — relatively speaking. The former buys three Cadillacs while the latter must content himself with a 1958 Chevrolet. When we understand the reasons for wealth differentials of this sort, we realize that such disparities are in the nature of things. Our sense of justice and fair play is not offended, however much our good taste may suffer.

But if the singer commits a

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crime and, because of his wealth, is able to buy himself out of jeopardy, we know in our bones that an additional evil has compounded the original crime. Legal justice is not a marketable commodity; justice which becomes an item of merchandise ceases to be justice. Justice is not for sale, and the market cannot allocate things which – by their very nature – are not salable. It is right that people acting voluntarily in the market place should decide that one man be given three times as many cars as another; but any voluntary action which metes out to one man only a third as much justice as it accords to another is on the order of mob rule, lynch law, violence, and moral evil.

### *Earmarks of Good Law*

Things human tend to get out of hand, and government is the prime example of this tendency. Time and again throughout history, government has become a cancer-like growth detrimental to social health and individual well-being. Seeking to curb this tendency, those in the old-fashioned Whig and Classical Liberal tradition laid down the earmarks of good law. They may be briefly summarized. In the first place, a good law makes no pretensions to perfection. No human laws are, in fact, perfect, and the attempts of some to apply their "perfect" laws to imperfect human beings have been disastrous. A good law will take human shortcomings into account; it will reflect our limited understanding and sinful nature.

In the second place, a good law will be written so as to correspond to what the eighteenth century referred to as the Higher Law. A good law, in other words, will not violate our ethical code; it will not supplant morality with mere legality.

Generality is a feature of a good law. Everyone should be equal before the bar of justice, and so a good law is one which applies to all men alike and without exception. Men are different in several important ways; some are bright and some dull; some are rich, others are poor. There are differences of nationality, color, and religion; there are employers and employees, and so on. These are important distinctions and classifications – but not to the law! The law should be blind to such differences, and any law which is general, applying to one man as to all, cannot have much wrong with it.

Besides being imperfect, moral, and general, a good law is conditional; it has an "iffy" quality about it. It says, *if* you steal, or *if* you defraud, or *if* you drive on the left side of the road, you will be punished. A good law takes the

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side of the negative, saying "Don't," or "Thou shalt not." This means that it is theoretically possible for a man to negotiate life without encountering the law, provided he sticks to the positive. The fifth and final point in this abbreviated list is something like the first; a good law reflects the customs and habits of a people – otherwise it is an attempt to reform them by law, and reformist law is bad law.

Economics is a discipline in its own right but, as I have tried to show, it has some larger meanings and implications. Its nature demands a political and social framework, comprising religious, ethical, and legal ingredients. Establish these necessary conditions and, within this framework, the economic activities of men are self-starting, self-operating, and self-regulating. Given the proper framework, the economy does not have to be *made* to work; it works itself, and it pays dividends in the form of a good society. ◈

IDEAS ON LIBERTY

## *Consumerism vs. Communism*

FROM THE STANDPOINT of resource allocation, the decisions about what to produce and how to produce in the communist countries are made by the dictators at the top. In our economy, the consumers, through the market mechanism, effectively decide how society's resources are to be used and direct their use in the desired directions.

Because our economic system is consumer-directed, clergymen and other religious, moral, and intellectual leaders have an extremely important role in our society. They assist the consumer in reaching judgments about basic standards and values—and these judgments can guide him in the exercise of his economic and political freedom.

Under communism, the influence of religious and moral leaders on the way society uses its resources is severely limited, because only the top planners determine how society's resources are to be used. The average man is forced to serve the state and is not free to make effective judgments about either his work or the goods and services he consumes.

DR. HAROLD C. PASSER, economist for Eastman Kodak, from an address before the Clergy Professional Association of Schenectady, N. Y., January 17, 1966.

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# THE GOVERNMENT SYSTEM

LAWRENCE FERTIG

JUST WHEN the Soviets admit the virtues of the free market economy by trying to imitate some phases of it, our drive in the United States is perceptibly in the other direction—toward more government intervention in the market. Just when the Soviet leaders are making sheep's eyes at the market economy because they can see that direction by bureaucracy is no substitute for the flexibility of the free market – the United States substitutes government fiat for market forces in a number of vital areas.

This basic change has been taking place in the American free-enterprise system practically unopposed by the American public or by important business interests.

The new system cannot be called government control because it has not gone quite that far. A fair characterization of this new arrangement would be to call it *the Government Veto System.* The basis of the Government Veto System is direct action by the Administration to veto prices which it does not like in major markets in the economy. To be sure, this veto has been employed to date only in the case of "key" prices, but it has been proven time and again in the history of various countries that controls tend to breed still more controls. The objective which the controllers hope to achieve always proves elusive, whether it be in the control of commodity prices or of money. When the controllers are disappointed, their tendency is to

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blame lack of success on an insufficiency of power. So they ask for more controls and more power.

### *The Veto Power in Practice*

There are five main areas where the United States government has used extra-legal pressure in an attempt to control the economy by the veto system.

First, there is an attempt to control prices for major products — especially steel. At various times the prices of steel, copper, molybdenum, and other products were rolled back after the government exerted pressure on the producing companies.

In regard to steel, President Johnson so far has officially not employed the strong-arm methods adopted by President Kennedy. He has not openly berated the steel companies, nor sent representatives of the Attorney General's office to the heads of steel companies before dawn to interrogate them. Nevertheless, his influence on steel prices has been powerful. It was only in August this year, after the wage price guidelines had been flouted repeatedly by various unions — especially by the airline mechanics — that the steel companies were able to achieve a slight increase in price for about a third of their production. This long delay occurred despite the fact that the government's own index of steel prices, prepared by the Federal Bureau of Labor Statistics, showed no increase from the end of 1958 to July this year. (The Index stood at approximately 102.3 in both periods.)

The veto system also operates against American corporations in their dealing with foreign countries. Pressure is brought against corporations to limit their investments in overseas operations. This is called "voluntary" control, although it is obvious that government coercion is behind it. Administration officials look over the shoulders of officers of major corporations and make the decision as to how much they shall invest abroad.

The veto system also applies to banks. They are restrained in the total which they can lend to borrowers in foreign countries. The declared purpose of this curtailment of dollar outflow is to aid the U.S. in retaining its gold stock and to improve the deficit in the U.S. balance-of-payments to foreign countries. But the gold outflow and the balance-of-payments deficit are due to entirely different causes. They are due to the government's monetary and fiscal policy. Nevertheless, in seeking to correct the problem, government officials clamp down on banks and corporations.

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The price of borrowing money (interest rates) is another area where the Federal government veto system tries to operate. For a time it was successful in preventing privately-owned banks from assessing the grass roots market and raising prime interest rates. But inflation, caused by government deficits and easy-credit policies, was so strong that interest rates continued to rise until they reached the highest level in a generation. Month by month, Treasury officials exerted pressure on the banks to prevent a free market price for hiring of money.

Thus there exists a very effective veto, although it is completely extra-legal and is effective only because of the coercive power of government.

### *The Strike-Back*

Congress has passed no law giving the President power to control any of these prices or policies. Nevertheless the power of the Executive Office is so great that no industry and no business can flout the government without fear of reprisal. Every businessman knows what this reprisal means. The Attorney General's office can use its power on antitrust matters. The Federal Bureau of Investigation can make special investigations. The Defense Department can withhold contracts. There are many, many ways in which the government can act to bring recalcitrants into line.

In the area of wages, as well as prices, the Federal government has tried to exercise veto power. The President's economic advisers laid down "guideposts" for wage rises. Until the airline mechanics strike the rule was that no wage rise should exceed 3.2 per cent. This figure is reported to be the average annual productivity gain of American industry in the last five years. Everyone knows that control over wages has been honored more in the breach than in the observance. In the case of major industries (automobile, construction, electrical, dock workers, and others) government officials have collaborated in violating their own guideposts.

After settlement of the airline mechanics strike, P. L. Siemiller, President of the International Association of Machinists, proudly said the settlement "destroys all existing wage and price guidelines now in existence." Government veto on wage rises has been far less effective than on prices. But it continues to be a stated government policy.

Why has the government moved in the direction of intervention in the market instead of letting supply and demand set prices? Why has it substituted decisions by

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some economists or some bureaucrats for the free forces of the market which have operated so successfully in the American economy?

### *Embarrassing Inflation*

The answer is quite plain. Government inflationary monetary policy plus Federal deficits have so vastly increased potential demand that the Administration is embarrassed to let the law of supply and demand work naturally.

As a result of government policies, the money supply (demand deposits plus currency) increased at a phenomenal rate in the last two years. This increase in the quantity of newly-created money sought to express itself in every way possible. This unprecedented increase in bank deposits and currency exerted upward pressure on prices in one market or another.

When the effects of this inflationary policy became evident to the public and prices began to rise steeply, officials became alarmed and decided to step in. Thus the government tries to substitute its command (veto over prices) for the answers which would be given by the operation of the free market. The result of such a policy is an unhealthy *repressed* inflation.

In trying to replace the price system even partially by government fiat, appeals are always made to "social responsibility." Every businessman and every labor union leader is supposed to wear two hats. In deciding what is in the best interests of his company or his group he wears one hat. When he goes into a deep study to decide, if he can, what is in the public interest, he must wear another hat. But how to determine precisely what is in "the public interest" and where "social responsibility" lies is impossible for anyone to judge. Every individual knows precisely what is *in his own interest,* and the competitive free market economy decides for him whether he can gain his objective. But how can he become a seer and judge whether his action is in the interest of 190 million people every time he makes a decision? The attempt to force people to act "in the public interest" instead of their own is merely an attempt by bureaucrats in government to impose their own judgments on the economy.

### *"Social Responsibility"*

At this point I would like to borrow from Professor Milton Friedman, who has made so many solid contributions to the free market philosophy. In a talk he made to the Institute for Religious and Social Studies he discussed the subject of social responsibility and made some acute observations.

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Here is what he said:

Almost without exception, appeals to "social responsibility" arise because of an unwillingness to let the price system work. They constitute an attempt to replace the price system by some alternative device. But no one has yet invented or discovered a device that can do the job which the price system does: of coordinating the activities of countless millions of people impersonally and without any need for central control; of providing a mechanism that simultaneously transmits information about changing demand and availabilities, gives economic agents an incentive to act appropriately in response to the information transmitted, and adjusts consumption to available supplies in the short run of rationing the supplies while simultaneously providing for adjusting production to consumption in the long run. The attempts to use alternative devices have been numerous and often on a very large scale – witness legal price control in the United States during wartime or central economic planning in Russia. In all cases, they have been largely unsuccessful, and the price system, albeit with large scale distortions introduced into the signals on which it operates, has remained a major means for organizing economic activity.

Because the price system works impersonally, automatically, and quietly, because it has no press agents, there is a tendency when it works well to take it for granted and for the non-economist hardly to recognize that it is performing a function. It is natural for him to think he can manipulate prices without any serious consequences; but he invariably finds when he does so that he has mounted the tiger, and he is driven to an ever-widening range of measures because of the difficulty of dismounting. Our agricultural price support program, no less than legal price-control and the voluntary restraint programs, are all striking examples.

### *Our Image Abroad*

In pursuing this policy of Federal vetoes on important prices, the United States government has unfortunately had to turn its back on its own international policies and preachments. The U.S. State Department has advised foreign nations repeatedly against exchange controls, against impediments to the free flow of goods and money across national boundary lines. It has admonished many countries – in South America particularly – to avoid inflationary policies which would inevitably lead to restrictive price-wage policies and exchange controls. But it is now evident that when the United States faced inflationary pressures due to its own policies, it did not subscribe to the advice it gave other nations. Instead of relying upon monetary discipline,

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balanced budgets, and the free market, the United States adopted a policy of controls in many vital areas.

For the sake of achieving doubtful, ephemeral benefits, the U.S. government seriously weakened its economic and financial leadership of the noncommunist world, which is essential for the defense of the West against totalitarianism. Only by a return to the principles of the free market can this country re-assert that leadership. ◈

EDWARD A. LEWIS

I'VE NEVER HAD a sudden burst of illumination which revealed The Truth to me completely, once and for all. But after consulting many contributions made to the world's store of knowledge and wisdom by more gifted minds than mine, I have tried to figure out some fundamental and correlative truths in certain areas, with the result that I have embraced a set of convictions which I call my own. I have sought to eliminate error, insofar as possible, by ironing the inconsistencies out of my beliefs and squaring them with the facts. For I conceive that truthfulness consists in two sorts of relation-

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ships: internally, my beliefs should harmonize one with the other; and externally, my beliefs should harmonize with the relevant portions of reality. Any bundle of propositions which meets these tests may join the set of convictions which I have made mine, and this is equivalent to saying that I reject as error whatever I regard as contrary to my convictions. All of which seems simple and self-evident.

Every so often I get into a discussion on various matters and naturally I advance arguments on behalf of my convictions. The critical rejoinder is sometimes made, "You think that everybody who disagrees with *you* is wrong." But, of course! Why shouldn't I? This is a gross and innocuous *ad hominem*. If I thought that adverse views were right, I would endorse them! But if I believe that the earth is round, how can I hold to my belief without deeming to be in error "everybody" who contends that it is flat?

In argument, I expect any sincere opponent, initially, to think that I am wrong.

With respect to issues upon which one has no firm conviction, he may say, "I feel this way about the matter; but those who have views to the contrary, may be right." But when one has reached a careful and considered judgment in a matter, it is only logical that he should think conclusions to the contrary to be wrong. I believe that 2 and 2 make 4. If anyone would say that 2 and 2 make 3, or 7, he would be in disagreement with me, and I would think that he is wrong. There are certain other matters about which, after careful thought and study, I have come to hold equally strong convictions. Should I be considered some kind of miscreant or malefactor for thinking those who disagree with me are wrong?

A person who thinks that those who disagree with him upon a certain matter are wrong, is a person of strong convictions. In his conclusions, he may be right or he may be wrong. If I can show that his conclusions are based upon false premises or result from faulty reasoning, I may undertake to do so. But I shall not condemn or censure him for holding to his honest convictions. And I shall not criticize him for thinking that everybody who disagrees with him is wrong. ◈

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# The ROOTS of WAR...

AYN RAND

IT IS SAID that nuclear weapons have made wars too horrible to contemplate. Yet every nation on earth feels, in helpless terror, that such a war might come.

The overwhelming majority of mankind – the people who die on the battlefields or starve and perish among the ruins – do not want war. They never wanted it. Yet wars have kept erupting throughout the centuries, like a long trail of blood underscoring mankind's history.

Men are afraid that war might come because they know, consciously or subconsciously, that they have never rejected the doctrine which causes wars, which has caused the wars of the past and can do it again – the doctrine that it is right or practical or necessary for men to achieve their goals by means of *physical force* (by *initiating* the use of force against other men) and that some sort of "good" can justify it. It is the doctrine that force is a proper or unavoidable part of human existence and human societies.

Observe one of the ugliest characteristics of today's world: the mixture of frantic war preparations with hysterical peace propaganda, and the fact that *both come from the same source* – from the same political philosophy. The bankrupt, yet still dominant, political philosophy of our age is *statism.*

Observe the nature of today's alleged peace movements. Professing love and concern for the survival of mankind, they keep screaming that the nuclear-weapons race should be stopped, that armed force should be abolished as a means of settling disputes among nations, and that war should be outlawed in the name of humanity. Yet these same peace movements do not oppose dictatorships; the political views of their

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members range through all shades of the statist spectrum, from welfare statism to socialism to fascism to communism. This means that they are opposed to the use of coercion by one nation against another, but not by the government of a nation against its own citizens; it means that they are opposed to the use of force against *armed* adversaries, but not against the *disarmed.*

Consider the plunder, the destruction, the starvation, the brutality, the slave-labor camps, the torture chambers, the wholesale slaughter perpetrated by dictatorships. Yet *this* is what today's alleged peace-lovers are willing to advocate or tolerate—in the name of love for humanity.

It is obvious that the ideological root of statism (or collectivism) is the *tribal premise* of primordial savages who, unable to conceive of individual rights, believed that the tribe is a supreme, omnipotent ruler, that it owns the lives of its members and may sacrifice them whenever it pleases to whatever it deems to be its own "good." Unable to conceive of any social principles, save the rule of brute force, they believed that the tribe's wishes are limited only by its physical power and that other tribes are its natural prey, to be conquered, looted, enslaved or annihilated. The history of all primitive peoples in a succession of tribal wars and intertribal slaughter. That this savage ideology now rules nations armed with nuclear weapons, should give pause to anyone concerned with mankind's survival.

Statism is a system of institutionalized violence and perpetual civil war. It leaves men no choice but to fight to seize political power – to rob or be robbed, to kill or be killed. When brute force is the only criterion of social conduct, and unresisting surrender to destruction is the only alternative, even the lowest of men, even an animal – even a cornered rat – will fight. There can be no peace within an enslaved nation.

The bloodiest conflicts of history were not wars between nations, but *civil wars* between men of the same nation, who could find no peaceful recourse to law, principle or justice. Observe that the history of all absolute states is punctuated by bloody uprisings—by violent eruptions of blind despair, without ideology, program or goals – which were usually put down by ruthless extermination.

In a full dictatorship, statism's chronic "cold" civil war takes the form of bloody purges, when one gang deposes another – as in Nazi Germany or Soviet Russia. In a mixed economy, it takes the form

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of pressure-group warfare, each group fighting for legislation to extort its own advantages by force from all other groups.

The degree of statism in a country's political system, is the degree to which it breaks up the country into rival gangs and sets men against one another. When individual rights are abrogated, there is no way to determine who is entitled to what; there is no way to determine the justice of anyone's claims, desires or interests. The criterion, therefore, reverts to the tribal concept of: one's wishes are limited only by the power of one's gang. In order to survive under such a system, men have no choice but to fear, hate and destroy one another; it is a system of underground plotting, of secret conspiracies, of deals, favors, betrayals and sudden, bloody coups.

It is not a system conducive to brotherhood, security, cooperation and peace.

Statism – in fact and in principle – is nothing more than gang rule. A dictatorship is a gang devoted to looting the effort of the productive citizens of its own country. When a statist ruler exhausts his own country's economy, he attacks his neighbors. It is his only means of postponing internal collapse and prolonging his rule. A country that violates the rights of its own citizens, will not respect the rights of its neighbors. Those who do not recognize individual rights, will not recognize the rights of nations: a nation is only a number of individuals.

Statism *needs* war; a free country does not. Statism survives by looting; a free country survives by production.

Observe that the major wars of history were started by the more controlled economies of the time against the freer ones. For instance, World War I was started by monarchist Germany and Czarist Russia, who dragged in their freer allies. World War II was started by the alliance of Nazi Germany with Soviet Russia and their joint attack on Poland.

Observe that in World War II, both Germany and Russia seized and dismantled entire factories in conquered countries, to ship them home – while the freest of the mixed economies, the semi-capitalistic United States, sent billions worth of lend-lease equipment, including entire factories, to its allies. (For a detailed, documented account of the full extent of Russia's looting, see *East Minus West = Zero* by Werner Keller, New York: G. P. Putnam's Sons, 1962.)

Germany and Russia needed war; the United States did not

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and gained nothing. (In fact, the United States lost, economically, even though it won the war: it was left with an enormous national debt, augmented by the grotesquely futile policy of supporting former allies and enemies to this day.) Yet it is capitalism that today's peace-lovers oppose and statism that they advocate – in the name of peace.

Laissez-faire capitalism is the only social system based on the recognition of individual rights and, therefore, the only system that bans force from social relationships. By the nature of its basic principles and interests, it is the only system fundamentally opposed to war.

Men who are free to produce, have no incentive to loot; they have nothing to gain from war and a great deal to lose. Ideologically, the principle of individual rights does not permit a man to seek his own livelihood at the point of a gun, inside or outside his country. Economically, wars cost money; in a free economy, where wealth is privately owned, the costs of war come out of the income of private citizens – there is no overblown public treasury to hide that fact – and a citizen cannot hope to recoup his own financial losses (such as taxes or business dislocations or property destruction) by winning the war. Thus his own economic interests are on the side of peace.

In a statist economy, where wealth is "publicly owned," a citizen has no economic interests to protect by preserving peace – he is only a drop in the common bucket – while war gives him the (fallacious) hope of larger handouts from his masters. Ideologically, he is trained to regard men as sacrificial animals; he is one himself; he can have no concept of why foreigners should not be sacrificed on the same public altar for the benefit of the same state.

The trader and the warrior have been fundamental antagonists throughout history. Trade does not flourish on battlefields, factories do not produce under bombardments, profits do not grow on rubble. Capitalism is a society of *traders* – for which it has been denounced by every would-be gunman who regards trade as "selfish" and conquest as "noble."

Let those who are actually concerned with peace observe that *capitalism gave mankind the longest period of peace in history* – a period during which there were no wars involving the entire civilized world – from the end of the Napoleonic wars in 1815 to the outbreak of World War I in 1914.

It must be remembered that the political systems of the 19th cen-

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tury were not pure capitalism, but mixed economies. The element of freedom, however, was dominant; it was as close to a century of capitalism as mankind has come. But the element of statism kept growing throughout the 19th century, and by the time it blasted the world in 1914, the governments involved were dominated by statist policies.

Just as, in domestic affairs, all the evils caused by statism and government controls were blamed on capitalism and the free market – so, in foreign affairs, all the evils of statist policies were blamed on and ascribed to capitalism. Such myths as "capitalistic imperialism," "war profiteering" or the notion that capitalism has to win "markets" by military conquest are examples of the superficiality or the unscrupulousness of statist commentators and historians.

The essence of capitalism's foreign policy is *free trade* – i.e., the abolition of trade barriers, of protective tariffs, of special privileges – the opening of the world's trade routes to free international exchange and competition among the private citizens of all countries dealing directly with one another. During the 19th century, it was free trade that liberated the world, undercutting and wrecking the remnants of feudalism and the statist tyranny of absolute monarchies.

"As with Rome, the world accepted the British empire because it opened world channels of energy for commerce in general. Though repressive (status) government was still imposed to a considerable degree on Ireland with very bad results, on the whole England's invisible exports were law and free trade. Practically speaking, while England ruled the seas any man of any nation could go anywhere, taking his goods and money with him, in safety." (*The God of the Machine*, by Isabel Paterson, Caldwell, Idaho: Caxton Printers, 1964, p. 121. Originally published by G. P. Putnam's Sons, New York, 1943.)

As in the case of Rome, when the repressive element of England's mixed economy grew to become her dominant policy and turned her to statism, her empire fell apart. It was not military force that had held it together.

Capitalism wins and holds its markets by free competition, at home and abroad. A market conquered by war can be of value (temporarily) only to those advocates of a mixed economy who seek to close it to international competition, impose restrictive regulations and thus acquire special privileges by force. The same

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type of businessmen who sought special advantages by government action in their own countries, sought special markets by government action abroad. At whose expense? At the expense of the overwhelming majority of businessmen who paid the taxes for such ventures, but gained nothing. Who justified such policies and sold them to the public? The statist intellectuals who manufactured such doctrines as "the public interest" or "national prestige" or "manifest destiny."

The actual war profiteers of all mixed economies were and are of that type: men with political pull who acquire fortunes by government favor, during or after a war — *fortunes which they could not have acquired on a free market.*

Remember that private citizens — whether rich or poor, whether businessmen or workers — have no power to start a war. That power is the exclusive prerogative of a government. Which type of government is more likely to plunge a country into war: a government of limited powers, bound by constitutional restriction — or an unlimited government, open to the pressure of any group with warlike interests or ideologies, a government able to command armies to march at the whim of a single chief executive?

Yet it is not a limited government that today's peace-lovers are advocating.

(Needless to say, unilateral pacifism is merely an invitation to aggression. Just as an individual has the right of self-defense, so has a free country if attacked. But this does not give its government the right to draft men into military service — which is the most blatantly statist violation of a man's right to his own life. There is no contradiction between the moral and the practical: a volunteer army is the most efficient army, as many military authorities have testified. A free country has never lacked volunteers when attacked by a foreign aggressor. But not many men would volunteer for such ventures as Korea or Vietnam. Without drafted armies, the foreign policies of statist or mixed economies would not be possible.)

So long as a country is even semi-free, its mixed-economy profiteers are not the source of its warlike influences or policies, and are not the primary cause of its involvement in war. They are merely political scavengers cashing-in on a public trend. The primary cause of that trend is the mixed-economy intellectuals.

Observe the link between statism and militarism in the intellectual history of the 19th and

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20th centuries. Just as the destruction of capitalism and the rise of the totalitarian state were not caused by business or labor or any economic interests, but by the dominant statist ideology of the intellectuals – so the resurgence of the doctrine of military conquest and armed crusades for political "ideals" were the product of the same intellectuals' belief that "the good" is to be achieved by force.

The rise of a spirit of nationalistic imperialism in the United States did not come from the right, but from the left, not from big-business interests, but from the collectivist reformers who influenced the policies of Theodore Roosevelt and Woodrow Wilson. For a history of these influences, see *The Decline of American Liberalism* by Arthur A. Ekirch, Jr. (New York: Longmans, Green, 1955.)

"In such instances," writes Professor Ekirch, "as the progressives' increasing acceptance of compulsory military training and of the white man's burden, there were obvious reminders of the paternalism of much of their economic reform legislation. Imperialism, according to a recent study of American foreign policy, was a revolt against many of the values of traditional liberalism. 'The spirit of imperialism was an exaltation of duty above rights, of collective welfare above individual self-interest, the heroic values as opposed to materialism, action instead of logic, the natural impulse rather than the pallid intellect.'" (p. 189. Quoted from R. E. Osgood, *Ideals and Self-Interest in America's Foreign Relations*, Chicago: University of Chicago Press, 1953, p. 47.)

In regard to Woodrow Wilson, Professor Ekirch writes: "Wilson no doubt would have preferred the growth of United States foreign trade to come about as a result of free international competition, but he found it easy with his ideas of moralism and duty to rationalize direct American intervention as a means of safeguarding the national interest." (p. 199.) And: "He seemed to feel that the United States had a mission to spread its institutions – which he conceived as liberal and democratic – to the more benighted areas of the world." (p. 199.) It was not the advocates of capitalism who helped Wilson to whip up a reluctant, peace-loving nation into the hysteria of a military crusade – it was the "liberal" magazine *The New Republic*. Its editor, Herbert Croly, used such arguments as: "The American nation needs the tonic of a serious moral adventure."

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Just as Wilson, a "liberal" reformer, led the United States into World War I, "to make the world safe for democracy" – so Franklin D. Roosevelt, another "liberal" reformer, led it into World War II, in the name of the "Four Freedoms." In both cases, the "conservatives" – and the big-business interests – were overwhelmingly opposed to war, but were silenced. In the case of World War II, they were smeared as "isolationists," "reactionaries" and "America-First'ers."

World War I led, not to "democracy," but to the creation of three dictatorships: Soviet Russia, Fascist Italy, Nazi Germany. World War II led, not to "Four Freedoms," but to the surrender of one-third of the world's population into communist slavery.

If peace were the goal of today's intellectuals, a failure of that magnitude – and the evidence of unspeakable suffering on so large a scale – would make them pause and check their statist premises. Instead, blind to everything but their hatred for capitalism, they are now asserting that "poverty breeds wars" (and justifying war by sympathizing with a "material greed" of that kind). But the question is: *what breeds poverty?* If you look at the world of today and if you look back at history, you will see the answer: the degree of a country's freedom is the degree of its prosperity.

Another current catch phrase is the complaint that the nations of the world are divided into the "haves" and the "have-nots." Observe that the "haves" are those who have freedom, and that it is freedom that the "have-nots" have not.

If men want to oppose war, it is *statism* that they must oppose. So long as they hold the tribal notion that the individual is sacrificial fodder for the collective, that some men have the right to rule others by force, and that some (any) alleged "good" can justify it – there can be no peace *within* a nation and no peace among nations.

It is true that nuclear weapons have made wars too horrible to contemplate. But it makes no difference to a man whether he is killed by a nuclear bomb or a dynamite bomb or an old-fashioned club. Nor does the number of other victims or the scale of the destruction make any difference to him. And there is something obscene in the attitude of those who regard horror as a matter of numbers, who are willing to send a small group of youths to die for the tribe, but scream against the danger to the tribe itself – and more: who are willing to condone the slaughter of defenseless vic-

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tims, but march in protest against wars between the well-armed.

So long as men are subjugated by force, they will fight back and use any weapons available. If a man is led to a Nazi gas chamber or a Soviet firing squad, with no voices raised to defend him, would he feel any love or concern for the survival of mankind? Or would he be more justified in feeling that a cannibalistic mankind, which tolerates dictatorships, does not deserve to survive?

If nuclear weapons are a dreadful threat and mankind cannot afford war any longer, then *mankind cannot afford statism any longer*. Let no man of good will take it upon his conscience to advocate the rule of force – outside or *inside* his own country. Let all those who are actually concerned with peace – those who do love *man* and do care about his survival – realize that if war is ever to be outlawed, it is *the use of force* that has to be outlawed. ◈

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IDEAS ON LIBERTY

## *The Politics of Peace*

WHAT DISTINGUISHES man from animals is the insight into the advantages that can be derived from cooperation under the division of labor. Man curbs his innate instinct of aggression in order to cooperate with other human beings. The more he wants to improve his material well-being, the more he must expand the system of the division of labor. Concomitantly he must more and more restrict the sphere in which he resorts to military action. The emergence of the international division of labor requires the total abolition of war. Such is the essence of the laissez-faire philosophy of Manchester.

This philosophy is, of course, incompatible with statolatry. In its context the state, the social apparatus of violent oppression, is entrusted with the protection of the smooth operation of the market economy against the onslaughts of antisocial individuals and gangs. Its function is indispensable and beneficial, but it is an ancillary function only. There is no reason to idolize the police power and ascribe to it omnipotence and omniscience. There are things which it can certainly not accomplish. It cannot conjure away the scarcity of the factors of production, it cannot make people more prosperous, it cannot raise the productivity of labor. All it can achieve is to prevent gangsters from frustrating the efforts of those people who are intent upon promoting material well-being.

LUDWIG VON MISES, *Human Action*

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# the LAW of Liberty

KENNETH W. SOLLITT

THE DIFFERENCE between freedom and servitude is the difference between doing what we ought because we choose to and doing what we must because another chooses for us.

Words of wisdom were spoken by the poet who wrote in Psalm 119: "...and I shall walk at liberty, for I have sought thy precepts." (Ps. 119:45).

This pathway to liberty seems strange to many people, for we are fond of the illusion that being bound by precepts, commandments, laws, is the opposite of freedom. But freedom is not absence of rules; it is action under a higher law.

The Wright Brothers did not violate the law of gravity when they produced the beginnings of the heavier-than-air flying machine. They simply discovered and used the now familiar laws of aerodynamics. Similarly, lawlessness is not the route to liberty. Liberty in society depends upon the discovery and practice of those higher laws which produce it. For freedom is not mere whim; it is the opportunity to do as one ought without compulsion.

We have other illusions about liberty, too, among them the idea that liberty somehow means a lack of responsibility for our acts. But, as in the natural world, so in the spiritual, we do not break higher laws; we break ourselves upon them. We *are* responsible for our acts – and for our inactivity when we ought to act.

We may entertain the illusion that freedom means relief from the responsibility of making decisions for ourselves, leaving this to somebody in Washington, or the Commanding Officer, or the union bosses, or the industrial association management. But God has created man with a free will. He not only *may* but *must* make decisions for himself. And one of

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his first decisions ought to be that of the Psalmist, to seek the precepts of God that he may walk in liberty.

Certain forces are at work in the United States to propagate the illusion that liberty means freedom to demand what you want at the expense of others. I think of this when I remember that today the taxpayer's bill for welfare amounts to $52.00 for every man, woman, and child in the United States, and Leon Keyserling has recommended that the figure be increased to $103 by 1970 and $124 by 1975. To do less, he said, would be "immoral."

But after thirty years of public spending on welfare there are still 34,000,000 "impoverished Americans." Commenting on this, the editor of the Dallas, Texas, *News* asks: "Is it moral to keep these millions dependent on a government handout? Is it moral to rear new generations thinking that someone else will take care of them? Is it moral to ask one man to work and pay taxes so that three others can get relief checks and go fishing?"

We are confused as to the meaning of liberty because we are confused as to what is moral.

In short, we have entertained the illusion that freedom means the right to push other people around, or to elect public officials who will do it for us. But the right to push people around carries with it the certainty that we ourselves will be pushed around. For it is one of God's laws, as operative in the spiritual, the economic, and the political realms as in the physical, that "for every action there is an equal and opposite reaction." The ball hits the bat with the same force that the bat hits the ball. The striking union assures itself when it strikes that it will be met by a similar force of resistance. This is the reason wars escalate. The use of force creates the opposition that more force is required to overcome.

One hundred and ninety years ago our forefathers sought freedom, not to push anybody around, but freedom to discover and obey the higher law in their own way. The result has been the creation of the greatest nation on earth—the nation whose people have the greatest amount of freedom. America is proof that those who seek the precepts of God's higher law shall walk at liberty.

Unfortunately, she is also proof that a nation or a people gets itself into trouble at every point where it tries to amend the all-embracing higher law to favor the majority, or any minority strong enough to enforce its will upon the rest. We are in trouble wherever the coercion of one

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group by another has been allowed, whether the coercion has been racial, economic, social, political, or religious.

The obvious lesson is that in the freest country in the world individuals and groups can still court servitude by resorting to compulsion to attain selfish ends. For force begets an opposing force and conflict is inevitable. And we become imprisoned in the conflict.

There are two ways to think of freedom.

A common way is to think of it as the right NOT to do anything unless and until you have to. But this is an illusion of liberty. The surest way to destroy your liberty along with that of those about you is to refuse to do what you know you ought until you are forced to do so. The student says to the teacher, "I'll be good only if you can make me." The lawbreaker says to the policeman, "I'll obey the law if you can make me." There is no true liberty to be found in shutting oneself inside a prison of necessity and beating one's head against a wall of resistance to doing what one ought.

True liberty is found only by doing what we ought because we *want to* and not because we *have to*. This is the road on which our forefathers started us about two centuries ago – the road from which we have departed time and time again by the imposition of restrictive laws on some and the granting of special privileges to others. Both of these things tend to discourage us from doing what we ought until the law requires it. Then we lose our freedom to do it simply because we want to do the right thing.

So, Americans, if you want to lose still more of your freedoms, just keep on demanding special favors at someone else's expense, and electing politicians who promise them to you.

Joe Louis, when asked why he had not been more active in the Civil Rights movement, said recently, "Some people do it by shooting, some march, some give a lot of money. I do it my way –behaving. All ways help."

We might not all agree that *all ways* help, but we must agree that behaving is one of the better ways. In doing this he *is* helping, not only the Civil Rights movement, but every worthy cause. The former heavyweight champion is doing what he should because he wants to and this is following the law of liberty. Can we learn this way as a people before the America for which our forefathers sacrificed so much has gone the way of the republics of Greece and Rome? ◈

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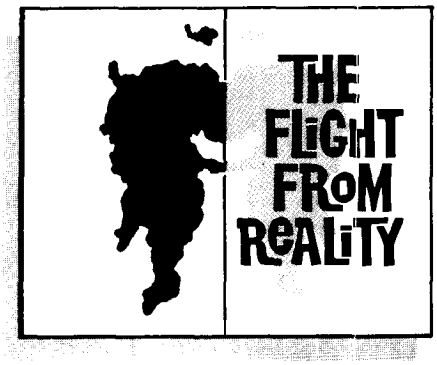


# 26. CONCLUSION: *The Pen* AND *The Sword*

CLARENCE B. CARSON

IT HAS BEEN SAID that the pen is mightier than the sword. The phrase is poetic; it calls attention to a paradox. Taken literally, the statement is not true, of course. A swordsman pitted against a penman might be expected to make quick work of him. Obviously, the phrase is not meant to evoke the vision of any such contest when it is employed. It is meant, instead, to call attention to the sway of ideas in the affairs of the world, a sway more complete and determinative even than that of the sword.

However this may be, there should be no doubt that the pen and the sword together are invincible. That is the situation which confronts us today. The flight from reality has culminated in the linking of the pen and the sword. The commander-in-chief of the armed forces of the United States with his brain trust signalizes the union.

The direction in which we are impelled by the combined force of pen and sword should not be in doubt. Earl Browder, former head of the Communist Party of the United States – but unrepentant socialist – has lately described the tendency felicitously:

> America is getting socialism on the installment plan through the programs of the welfare state. There is more real socialism in the United States today than there is in the Soviet Union.
>
> Americans may not be willing to vote for a program under the name of "socialism," but put it under another party label – whether liberal Republican or Democrat—and they're by and large in favor of the idea. . . .

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> We have no real socialist party, no socialist ideology, but we have a large – and growing – degree of what 50 years ago would have been recognized as socialism.[1]

Some of Browder's points may be debatable, such as that there is more socialism in America than in the Soviet Union, or that we have no socialist ideology; but his main contention – that the United States has been moving gradually toward socialism – should be beyond dispute. The evidence for this is mountainous. It can be seen in the spreading government intervention in the economy, in the increasing control of the economy, in the numerous welfare programs, and in the amazing array of governmental activities and programs. The question for the historian should be not whether we have been moving toward what was once billed as socialism but rather how has this development come about. In the absence of a victorious Socialist Party, without political leaders who profess the socialist ideology, in a situation in which most of the populace has never consciously accepted socialism, how has America proceeded to the point that an old Communist can proclaim we are achieving socialism?

[1] Quoted in Pittsburgh *Press* (June 19, 1966), sec. I, p. 11.

### *To Meet Changed Circumstances*

Though few American historians would be as blunt as Earl Browder, there is a conventional explanation of the phenomena to which he refers. Indeed, in the interview cited above, Browder referred to and used the conventional explanation. He said, "We got it . . . merely in the piling up if [sic] single decisions under the pressures of need and crisis."[2] In greater detail, the explanation would go something like this: In consequence of industrialization, the mechanization of agriculture, urbanization, and the transportation revolution came depressions, concentrations of wealth, the dependency of the worker, declining opportunity, "monopolies," and spreading poverty. Government had to intervene to bring justice to the people in view of these changing circumstances. Politicians, operating pragmatically, have tried first this, then that, to come up with programs which would work. They have been moved not by ideology but by the pressure of circumstances.

The generality of men do not question familiar explanations; they do not even analyze them. In order for an explanation to become familiar it need only have been repeated enough times. This has occurred regarding the justi-

[2] *Ibid.*

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fication of reform on the grounds of changing circumstances. It has been drummed into our ears for decades now. It sounds right to us. The rhetoric by which it is expressed has etched grooves in our minds which allow each additional statement of it to be taken in without causing pain. The point approaches where it is hardly more apt to be challenged than was the view that the earth was flat seven hundred years ago. Yet, it is an explanation that does not explain when put to the test.

Some of the reformist surges have come at times of general prosperity. The Progressive movement, in the early twentieth century, came at a time of the greatest prosperity America had known. The Kennedy and Johnson programs were introduced at times billed as ones of unprecedented prosperity. The rationale changes with the times, not the programs or direction. If it is a period of depression, the programs are described as remedies for depression. If it is a period of prosperity, they may be justified on the grounds that poverty is inexcusable in a land of plenty.

### *Disappointing Results*

Nor does the pragmatic claim stand up under analysis. If the reformers were pragmatists, they should be concerned with whether their programs work or not. On the contrary, they cling to them, once established, and press for the enactment of others of like nature. If workability were the test, the farm programs should have been scrapped long ago. They were supposed to rescue the small farmer and benefit agriculture generally. On the contrary, the number of farmers has decreased from 1930 to the present, and the brunt of this has been borne by small farmers. Large farmers generally have become more wealthy; and we have all paid for this continuing experiment with higher prices for certain products.

Various programs, such as housing projects, were supposed to reduce delinquency, yet crime mounts in America. Americans were supposed to be helped by government programs to become independent, but dependency on government increases apace. Antitrust legislation was supposed to prevent the fixing of prices, yet prices in numerous instances are set by government decree and union monopolies. Far from working as intended, the programs often have produced results the opposite of those desired. If their proponents were pragmatists, they long since should have abandoned many of the programs which they still cherish.

Though a much more thorough

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analysis of the explanation by circumstances and comparison of it with the evidence would be valuable, it is not necessary. An explanation is satisfactory to the extent that it accounts for all of the relevant phenomena. This one does not, and it must be discarded as inadequate. There not only are too many loose ends, but it does not even come to grips with the process of historical change.

### *The Conspiracy Theory*

Another explanation has gained some following, though not generally in academic circles. It is that the trend to socialism is a product of a conspiracy, or of conspiracies. Such an explanation is particularly appealing because, if true, it would account for the fact that we have moved toward socialism without those responsible for it ever announcing it as the goal. The plausibility of this explanation is increased by the existence of a communist conspiracy, by a magnetic field surrounding it into which sympathizers are drawn, and by the affinity which many reformers have had for Communists. Its attraction is probably greatly enhanced by the obvious solution it offers: expose the conspiracy or conspiracies, imprison the malefactors, throw the scoundrels out, and get on with the business at hand.

The exposé occupies a position today in the Conservative movement similar to the place it had for Progressives at the beginning of the century. Books gain considerable currency that deal with Red spies at the United Nations, that rehash the story of the fall of Nationalist China, that tell again the story of Pearl Harbor, and so on. Much of their appeal is but testimony to the frailty of human nature, to the preference of men for reading something that will make their blood boil rather than help to make their minds work. Even so, if the present Conservative movement should emerge victorious politically, some part of its rise probably could be attributed to the exposés. Moreover, some of these have made valuable contributions to our understanding of what has happened.

Nonetheless, the exposés are largely offshoots of the conspiracy theory, so far as they offer any general explanation of what has happened. They deal with events which are only the flotsam and jetsam of the major developments of our time. They are of the surface of the waters on which we ride, not of the undertow which pulls us in the particular direction. The conspiracy theory may account for a particular *coup d' état,* for this or that hidden manipulation, for some particular bit

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of espionage, for the introduction of some unfortunate phrase in a document, and so on. But it does not tell us what made the conspirators become what they are. Moreover, it does not account for the millions, perhaps billions, of people in the world who are drawn to support what is being done, or what they think is being done.

### *Victims of Illusion*

We are the victims, not of conspiracy, but of illusion. Even the conspiracies are largely sustained by the illusion. The illusion is that men are, or can be, gods, that they can by taking thought reconstruct human nature, that they can create a world of their own devising, that decision-making can be separated from power, that tension and stress can be removed from the world, that reward can be separated from effort, that all-embracing governments can bring peace, that people can be treated as things and retain their dignity, that men will cease to pursue their own interests when the social system is changed, that evil is the product of circumstances and not of men, that consequences are determined by motives rather than by the nature of the acts, that the nature of acts is altered by the number of people who participate in them, that the nature of man is plastic, and that the universe is malleable.

The heart of the illusion is in the view that the meaning of life is to be found in participation in the political process through which utopia is to be achieved by continuing social reconstruction. According to this view, men find their fulfillment in voting, in collective activity, in group projects, in civic undertakings, and in extending these methods as widely and universally as possible. This ethos goes by the name of democracy. It provides the rationale for the progressive politicalizing of life, for the interpenetration of all human activity with force.

The transcendant rituals of this pseudo-religion are group discussion and voting. Its end is a heaven-on-earth utopia which is to be achieved by social transformation. Its chief virtue is action, social action, action to produce the desired changes according to the modes of the rituals. Anything that is not politicalized is an affront to the adherents of this ethos. They talk continually of peace, but they foment strife because they continually intrude in the affairs of other men. They arouse the vague and restless discontents which are a part of the human condition and attempt to harness these for the purposes of social reconstruction.

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***The Philosophical Break***

The burden of this work has been to show that men have succumbed to illusion by a flight from reality. This flight from reality has had a long and checkered career. It began at a level remote from the lives of most people, on the philosophical plane. Philosophers began to break the connection between cause and effect, between the evidence of the senses and logic, between the metaphysical and the physical realms, between ideas and reality. After Immanuel Kant, if there was a duality to reality – if there was body and soul, heaven and earth, physical and metaphysical, temporal and eternal, and so forth – the two realms were so disjoined from one another as to make them distinct and unrelated orders of being. The pure reason cannot arrive at validatable propositions; the practical reason can establish facts, but these fall far short of the truth for which man yearns.

Kant had, in effect, demolished the connections which enabled philosophers to provide a unified account of all the levels of reality. Philosophy gave way to ideology, and "isms" multiplied as thinkers attempted to account for all of reality by some piece from the wreckage of philosophy. Perhaps no better description can be given of ideology than that it is an attempt to account for the whole of reality by some abstraction of a fragment of it.

Many ideologies emerged in the nineteenth century, but two of them were basic to the particular direction of the flight from reality: idealism and materialism. Dualism did not disappear; it tended to survive in the more or less independent development of idealism and materialism. Idea and matter remained, and thinkers labored to bring them together into some kind of synthesis. The work of G. W. F. Hegel was central to the development of thought. He held that idea became actuality in the historical process. All of reality was reduced to the historical plane where its being consists of its becoming. The purpose of life becomes the rendering of the ideal into the actual. Here is the tap root of the meliorist and revolutionary roads to socialism.

There was no longer any fixed and enduring reality for most thinkers, only an historical process of change. Some followed Hegel in holding that ideas can be used to shape actuality from matter (though Hegel did not think much of matter); others followed Marx in holding that there is a dialectic of matter and that ideas are really a product of this. To the materialists, all things are determined by the fluctuations of matter; to the

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idealists, all things are a product of ideas. Both of these notions went into the stream of thought picked up by American meliorists, have been strangely combined and eclectically used.

At any rate, idealism provided the mental framework for the construction of utopias, while materialism gave substance. For many, the utopian vision served as the idea which they would make an actuality. The utopian idea was not new to the nineteenth century; it had been around for some time. But men had treated such ideas largely as playthings of the imagination, ridiculous because unattainable, undesirable even if attainable because they do not take into account the character of life on this earth.

### *A Fragment of Truth; Ideas Have Consequences*

The atmosphere began to change in the nineteenth century. Not only were more utopian novels written but also they began to get a wider acceptance. For some at least, utopia began to seem both possible and desirable. Many had lost their certainty of a metaphysical and enduring order which would make them impossible. The declining vitality of belief in life after death opened up the possibility that Heaven would have to be on this earth.

Even so, most men have not consciously accepted the notion that utopia actually could be achieved. Any man of common sense can find numerous flaws in any particular version of utopia. Probably, most men will never accept the notion that utopia actually can be attained. They can, however, be convinced that conditions can be improved. This has been the method of the meliorists in America. Behind the thrust of meliorist effort lies the utopian vision, which is itself the impelling dream of socialism, but the programs which are supposed to lead to it are billed neither as socialism nor utopianism in America. They are only called improvements. Not all of them would produce utopia, but each of them might result in some improvement, so men have been led to believe.

There is a fragment of truth in the conception of translating ideas into actuality, a most interesting and important fragment of truth. Men do translate ideas into actualities, not perfectly but sufficiently well for us to recognize that it happens. A boy has a dream, a vision, an idea of what he will become when he is a man. If he plans well, if his idea is viable, if he works hard at it, the man he will become will bear some relationship to his dream.

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Ideals, too, have played an invaluable role in the lives of men. The world would be immeasurably poorer, indeed an intolerable place, if individuals did not seek truth, strive to act justly, and yearn for the good. The Revelation by Jesus Christ of what is good in the sight of God contains the highest ideals for Christians. Each man who labors to order his actions to accord with ideals is, in a sense, translating idea into actuality.

In many ways, both mundane and sublime, men labor to translate ideas into actuality. The farmer who raises a crop translates his ideas about the employment of his land, labor, and capital into the actuality of produce. The man who builds a factory starts with a conception of it, even a dream, just as does the builder of a house. An artist who paints a picture begins with an idea; so does a novelist, a composer, an architect, and a cook. The inventor begins with a conception of a device that does not exist but which he believes can be produced by combining certain materials and principles. If his idea is valid, and if he knows how to apply it, an invention can result. Indeed, translating ideas into actuality plays a most important part in our lives. That this can be done is such an important fragment of truth that men might be expected to want to apply it universally.

Let us return to the process of invention. Inventors have supplied us with an amazing array of conveniences and technology in the last hundred years. In no other area of human activity has the process of translating ideas into actuality been so dramatically demonstrated. We have come to associate this process of technological development with progress, and the word "progress" has for us the attraction derived from the association. Meliorists were able to capitalize on this association and claim that they were using the method in a new area. Both Lester Frank Ward and John Dewey talked of "social invention." The pseudo philosophy of pragmatism, with its emphasis upon experimentation, is largely built upon an abstraction from the process of invention. Reformists were going to produce the marvels in society that mechanical invention had done for technology. Their innovations would constitute progress in the social realm just as invention does in the realm of technology. Hence, those who were opposed to the political innovation and intervention which resulted would be described as anti-progressive and reactionary.

There is a major difference,

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however, between mechanical invention and "social invention." The mechanic works with *things*. He shapes them in such ways that they do his bidding. He becomes master of them. By contrast, the "social inventor" deals with *people*. They have hopes, plans, and wills of their own. Otherwise, the analogy with mechanical invention holds. The "social inventor" attempts to shape people so that they will do his bidding (though this is supposed to be for their own good). He becomes their master to the extent that he gains political power over them. That is, to the extent that the "social inventor" (or social planner as he has come more commonly to be called) succeeds in his efforts, men lose control of their own affairs. The association with what men have thought of as progress is a bogus one, though it does become progressively tyrannical.

### *The Path to Tyranny*

The flight from reality has had many facets. Some of them have been described in earlier chapters. My point, however, is that the flight from reality took place in the realm of ideas and was a product of what are called intellectuals. Many ideologies have provided grist for the mills of American reformers or meliorists, but the central idea is the translation of a vision, a vision of utopia, into actuality by the use of political power. It is a perversion of idealism, an extension of it into unwarranted areas.

For an individual to have an ideal which he wishes to translate into the actuality of himself is healthy on the whole. But for a man to have an ideal for what others should become is likely to make him a nuisance at the best and a tyrant at the worst. When he uses force to make others over, he certainly becomes a tyrant.

The idea of transformed men and society was projected as utopia. It was taken up by American thinkers, read into an evolutionary framework, and methods were devised for a gradual movement toward its fulfillment. The ideologies were subsumed into mythologies which bent those who accepted them toward programs of amelioration and reform. These reformist ideas were intermingled with religion by the social gospelers and injected into educational theory and practice by progressive educationists. They were propagated in the media of communication. Earl Browder would have been correct if he had said that most Americans have no conscious socialist ideology; they have, instead, a mythology which carries in it an *implicit socialist ideology*.

The method of translating these

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ideas into actuality is epitomized and concentrated in the presidential four-year plans – the Square Deal, New Freedom, New Deal, Fair Deal, New Frontier, and Great Society. The pen has been linked with the sword in these plans. As was shown above, intellectuals provided the ideas. It will be enough now to indicate briefly that Presidents put them into effect.

Most of these Presidents have not frankly avowed their aim to reconstruct society. However, occasionally it has come out, as in the following declaration by Woodrow Wilson:

> We stand in the presence of a revolution, – not a bloody revolution; America is not given to the spilling of blood, – but a silent revolution. . . .
>
> We are upon the eve of a great reconstruction. It calls for creative statesmanship as no age has done since that great age in which we set up the government under which we live, that government which was the admiration of the world until it suffered wrongs to grow up under it which have made many of our compatriots question the freedom of our institutions and preach revolution against them. I do not fear revolution. . . . Revolution will come in peaceful guise. . . . Some radical changes we must make in our law and practice. Some reconstructions we must push forward, for which a new age and new circumstances impose upon us. But we can do it all in calm and sober fashion, like statesmen and patriots.[3]

In milder language, Franklin D. Roosevelt made a similar proclamation:

> At the same time we have recognized the necessity of reform and reconstruction – reform because much of our trouble today and in the past few years has been due to a lack of understanding of the elementary principles of justice and fairness by those in whom leadership in business and finance was placed – reconstruction because new conditions in our economic life as well as old but neglected conditions had to be corrected.[4]

As a general rule, however, Presidents with four-year plans have not emphasized the revolutionary character of what they were proposing. On the contrary, they have made as little of the innovation as possible and have tried to maintain that what they were doing was somehow profoundly in keeping with true American tradition and purpose. For example, when Theodore Roosevelt called for out-and-out regulation and supervision of

[3] Woodrow Wilson, *The New Freedom*, William E. Leuchtenberg, intro. (Englewood Cliffs, N. J.: Prentice-Hall, 1961), p. 32.

[4] Franklin D. Roosevelt, *Nothing to Fear*, Ben D. Zevin, ed. (New York: Popular Library, 1961), p. 50.

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American corporations in 1905, he described the program as in keeping with the American past. He said, in part:

> This is only in form an innovation. In substance it is merely a restoration; for from the earliest time such regulation of industrial activities has been recognized in the action of the law-making bodies; and all that I propose is to meet the changed conditions in such a manner as will prevent the commonwealth abdicating the power it has always possessed not only in this country but also in England before and since this country became a separate nation.[5]

The second Roosevelt was even more masterful in describing his alterations as if they were entirely constructive in character. On one occasion, he likened them to the way an architect can renovate a building, joining the new to the old so felicitously that the whole will retain its integrity. The following references were to a renovation of the White House that was going on:

> If I were to listen to the arguments of some prophets of calamity who are talking these days, I should hesitate to make these alterations. I should fear that while I am away for a few weeks the architects might build some strange new Gothic tower or a factory building or perhaps a replica of the Kremlin or of the Postdam Palace. But I have no such fears. The architects and builders are men of common sense and of artistic American tastes. They know that the principles of harmony and of necessity itself require that the building of the new structure shall blend with the essential lines of the old. It is this combination of the old and the new that marks orderly peaceful progress, not only in building buildings but in building government itself.[6]

### *Emphasis on Gradualism*

The above is, of course, the rhetoric of gradualism. It is the beguiling language which has concealed the thrust of the sword into virtually every area of American life. The sword is an apt symbol for the use of government power. The first penetration of the flesh by a sharp sword will hardly be noticed. It is a mark of the ingenuity of American gradualists that they are able to appeal to the fact of the lack of pain caused by their programs at first as an argument for extending them. The argument goes something like this, figuratively: the sword is already in; the first thrust did not hurt much; there can, therefore, be no objection to driving it further in. It is not even much of an innovation to drive the sword deeper once it

[5] Marvin E. Meyers, *et. al.*, eds., *Sources of the American Republic*, II (Chicago: Scott, Foresman, 1961), 105.

[6] Roosevelt, *op. cit.*, pp. 53-54.

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has been introduced into the body.

Rhetoric aside, however, this is how the application of meliorism has resulted in extending force into more and more of American life. Step by step the control, regulation, and intervention has mounted. It began mildly enough in the early twentieth century. At first, it involved only such things as regulating interstate transportation, a pure food and drug law, a meat inspection act, the establishment of a postal savings system, the interstate transportation of females for immoral purposes, and the bringing of telephones and pipelines under government regulation. It proceeded to the passage of a minimal graduated income tax, to the setting up of the Federal Reserve System, to the establishment of rules for dealing with railroad labor, to the exemption of organized labor from antitrust legislation, and to special rules for the directors of large corporations.

Leaving out of account the war years of World War I, the speed of intervention mounted precipitately in the 1930's. Farm prices were subsidized, crops restricted, the stock exchange regulated, labor unions empowered, a government arbitration board created, the income and inheritance tax raised, minimum wages and maximum hours established, loans to farmers provided, Federal aid for slum clearance authorized, vast relief programs undertaken, and so on.

Since World War II, the pace of intervention has been maintained. Social security has been extended to ever larger portions of the population, labor unions regulated in new ways, Federal aid to education extended, conscription extended into peacetime, relief programs of various sorts continued, disaster relief inaugurated, vast programs of urban renewal started, world-wide embroilment by foreign aid begun, and so on.

The above only scratches the surface of the total regulation, control, and intervention by governments in America. There are, in addition to the above, many Federal laws not alluded to, the rules and regulations propounded by boards and commissions, and the fantastic variety of state and local laws, rules, and decrees. To these should be added an increasing number of judicial decrees which are given the force of law.

Depending upon the circumstances and locale, in some instances, an American cannot decide how much he will plant, how he will build, what interest he will charge, what he will buy, to whom he will sell, whom he will serve, what price he will charge,

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how much education his children will have, what school they will attend, what he shall say (on radio and television), what causes he will support, what size container he shall use, what medication his family shall receive, what business he will enter (since there are government monopolies in certain enterprises), whom he will hire, whom he will fire, with whom he will negotiate, whether he will go out of or remain in business, whether he will contribute to funds for his old age or not, what kind of records he will keep, what he will pay to those he employs, what books his children will be exposed to, and much more besides. The amount determined by the exercise of political power increases and those things left to individual choice decline.

### *A Fatal Dosage*

The sword is now deep in the body. However slowly it has entered and however gradual the thrusts, it must eventually reach the vital organs. That this has already occurred and is occurring is indicated by the loss of liberty, the destruction of money by inflation, a mounting and unpaid national debt, rising costs, increasing relief rolls, inflexibilities and rigidities, and spreading lawlessness.

It is not illusion alone that sustains the movement toward socialism, however. Some men may have succumbed to the illusion that the politicalizing of life is desirable. There may be those, even a great number, who believe that the melioristic programs of politicians are advanced for altruistic reasons. Some portion of the populace may believe that the meaning of life is to be found in democratic participation. Certainly, there are ideologues who are committed to socialism and are utterly blind to the consequences of the efforts in that direction. But behind the façade of altruism, beyond the cloud cover of rhetoric, there is a solid reality which sustains even the flight from reality. It is the reality of government favors and the enticements of political power and prestige.

Men do not readily succumb to illusion in matters close to them with which they are familiar. They follow their own interests, narrowly or broadly conceived or misconceived. Pen and sword are linked together in a web of self-interest that extends outward from the centers of power in America to embrace almost everyone who has some special prerogative, franchise, benefit, exemption, concession, or office derived from government. These are too numerous even to summarize here, but they include such diverse favors as

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welfare checks, government contracts, radio and television franchises, oil depletion allowances, F. H. A. requirements for escrow balances, loans, subsidies, building projects hoped for, military establishments in the vicinity, and so on through an almost endless array of special privileges.

### *Almost All Are Involved*

Virtually every American has been drawn into the orbit of dependency upon government, willingly or not, and to a greater or lesser extent. It may be an illusion to believe that each of us can benefit from the largess taken from all of us, but it becomes increasingly difficult, if not impossible, for an individual to calculate whether his benefits exceed his costs or not. Since they do not know the answer to this sixty-four (or 104) billion dollar question, men fear to disturb the status quo of benefits.

At the apex of this structure of power and privilege is an elite of politicians, intellectuals, labor leaders, scientists, military men, and assorted leaders of specially privileged minority groups. At the pinnacle is the President and those who enjoy his favor. Here, the benefits are such as would dazzle and tempt a saint. There are the obvious perquisites of office, of course: the black limousines, the jet planes, the helicopters, the Marine band, the medical care at Walter Reed Hospital, the admiring crowds, and the fawning assistants. Some of these might be found, even if there were no welfare state, no movement toward socialism, and no spreading assertion of government power.

But the pushers of the pen have provided the wielders of the sword with a rationale and justification of their position that places them above mere mortals. They have set forth an ethos supporting the concentration and exercise of power which makes of those who wield it virtual gods. As more and more of American life is politicalized, the stock of the politician rises in direct ratio. As more and more of our actions are politically directed, the importance of the politician increases. As decisions over their lives are taken from individuals and made political, the politician who makes the decision rises in his own estimation and that of his fellows. As the political mode of doing things – that is, voting, debating, legislating, negotiating – is made the ideal for all activity (such procedures being called democratic in the contemporary argot), the man who has politics as his profession can believe that his is the most meaningful of lives.

My point is that meliorist in-

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tellectuals have shown politicians the way to enhance their prestige and increase their power. They have led them to believe that they can control the economy, increase purchasing power, rehabilitate cities, rescue farmers, promote learning and the arts, integrate the races, abolish poverty, produce plenty, develop undeveloped nations, remove fear and want, provide medical care, and give security to a whole people. Politicians have not been slow to claim the credit for anything desirable that is accomplished. If the "national income" increases, it must surely be the result of political effort. If unemployment decreases, the party in power must have provided the jobs. The following pronouncement by President Johnson is typical of such claims:

> We have come far in the past few years. Since January 1961 [the date of inauguration of John F. Kennedy, by which we are to understand that what has been done can be credited to the Democrats] our gross national product has risen 22 percent, industrial production is up 25 percent, the unemployment rate is down 24 percent, disposable personal income is up 18 percent, wages and salaries are up 19 percent, and corporate profits are up 45 percent.[7]

[7] *Public Papers of the Presidents of the United States, Lyndon B. Johnson, 1963-64*, I (Washington: Government Printing Office, 1965), 777.

Presidents have claimed credit for virtually everything now but the weather, and they are working on controlling that.

There has been an attempt to give the electorate a sense of participation in the heady experience of exercising power. The instrument by which this is supposed to be accomplished is voting. According to the lore of our time, when a man votes, he is making the ultimate decisions, is causing the whole paraphernalia of government to dance to his tune. Whatever action government takes is his action; whatever good is accomplished is done by him; whatever power is exercised is his power. Through the mystique of the ballot box, the mighty are supposed to be brought low and made to answer to the will of the voter.

*Voting is important*; it can be used to hold politicians in check, to control, to some extent, the exercise of power, and to short-circuit the surge to power of government agents. But voting does not work this way when it becomes an instrument in the gradual movement toward socialism. The voter does not increase his power by voting for more government intervention; he decreases it. It is an illusion that an increase in government power over the lives of the citizenry is an increase of the power of the individual voter. The

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man who votes for more government intervention is voting for diminishing his control of his own affairs. It is a sorry swap to trade the very real control which a man may have over his life for the illusory control this is supposed to give him over the lives of others. He who does this is exchanging his heritage for a mess of pottage. He exalts the politician and debases himself.

### *A Vested Interest in Promoting Socialism*

Politicians have acquired a vested interest in moving the United States toward socialism. Not only does it provide them with prestige and power, but it helps them get elected to office. Politicians run for office on the basis of benefits, favors, subsidies, exemptions, grants, and so forth which they did or will provide for the electorate. Notice how this impels us toward more and more governmental activity, for the man who would continue to be elected should promise ever greater benefits to his constituency. Most men have long since forgotten how to run for office without buying votes with money to be taken directly from the taxpayers, or indirectly by way of inflation.

There is a sense in which meliorist politicians may be described as pragmatists, though not in the way we have been led to believe. The workability or success of a plan or undertaking is relative to the goal for which it has been adopted. The stated goal of the various meliorist programs is the improvement of the lot of the people. If this had been the goal of the farm program, for instance, it has not "worked." Instead, farmers have left the farms in ever larger numbers; the marginal farmers were progressively impoverished and those with large holdings and considerable capital enriched. The generality of the population have paid for this by taxation and higher prices for farm products.

If, however, the objects of the farm program (and other such programs) were socialization and/or political power, it has worked. More and more of the decisions about the utilization of farm land are politically ("socially") determined, and those who have supported the farm programs have quite often been elected and re-elected to office. The same is true for many other interventionist programs. In short, the programs do "work" in moving America toward socialism and in maintaining or increasing the political power of those who advance them. In this sense, they are pragmatic, and those who advocate them are pragmatists.

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### The Pleasures of Power

Those who provide the justification for Leviathan have their reward, too. A select few are able to move into the circle of the President himself. One intellectual who did – Arthur M. Schlesinger, Jr. – has described the rewards dramatically: "One could not deny a sense of New Frontier autointoxication; one felt it oneself. The pleasures of power, so long untasted, were now being happily devoured – the chauffeur-driven limousines, the special telephones, the top secret documents, the personal aides, the meetings in the Cabinet Room, the calls from the President."[8]

There are other rewards of a more tangible nature. Schlesinger wrote a best-selling book which was an account of the Kennedy days when he was close to the President. It won a Pulitzer prize. Nor did the rewards end with the period of residence in the White House. Since leaving Washington, Schlesinger has "signed a contract for the $100,000 Albert Schweitzer chair in humanities at City University of New York."[9] The rewards are not so great for the generality of intellectuals, of course, but those who support Leviathan are more apt to find their talents rewarded than those who do not.

Yet the reality of power and privilege is based on illusion, too. It is an illusion that the wielding of the sword can produce prosperity. The actions of Presidents Kennedy and Johnson did not really increase the gross national product by 22 per cent, or industrial production by 25 per cent, or reduce unemployment by 24 per cent, and so on. They could, of course, have used political power to inflate the currency to the extent that these statistics would be accurate in monetary terms, and that unemployment could have been reduced because workers formerly priced out of the market could now be afforded. But any solid gains that occurred would have been the result of the efforts of those who actually produced the goods or hired the workers. If this were not true, we could all quit work and let Presidents provide for us by waving the magic wand.

### Facing the Consequences

The most profound illusion of all is that men can escape the consequences of their acts. Jesus said that "all who take the sword will perish by the sword." There are different levels upon which Scripture should be interpreted, but

[8] *A Thousand Days* (Boston: Houghton Mifflin, 1965), p. 213.

[9] Geoffrey Gould, "College Profs Earning Better Pay Every Year," Pittsburgh *Post-Gazette* (July 4, 1966), sec. II, p. 32.

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this one seems to apply, too, to what actually happens in history. From 1865 to the present, four Presidents have been assassinated, and attempts have been made on the lives of others. In the twentieth century, Presidents have been placed under heavier and heavier guard. They are now preceded by a host of government agents on their visits anywhere, agents who strive to make sure no dangerous characters shall get a vantage point from which to attack the President. There is an obvious explanation for this increasing danger of assassination. It is the increasing power of the President. To the extent that the President symbolizes the government, to the extent that he is responsible for government action, to that same extent does his position become more perilous for him. In short, the increasing power and prestige of his office exposes him the more to an assassin's bullet. When he becomes the wielder of the sword, he becomes subject to perishing by the sword.

The nation that takes the sword may be expected to perish by it also. This can occur in numerous ways, or combinations of them. Most obviously, a nation may be defeated by some foreign power. But this is most apt to occur after death has already begun. It may perish by the corruption that attends reliance upon the loot brought in by wielding the sword. It may succumb by the route of the runaway inflation which follows prolonged political manipulation of the money supply. It may be weakened gradually by the loss of incentive to produce that attends the ever larger amounts taken from producers by taxation. It may fall finally as a result of the inflexibilities and rigidities introduced by government intervention which eventually make it impossible to adjust to changed conditions. Any or all of these, or others unnamed, may cause a nation to perish.

### *Fate of the Intellectuals?*

But let us return to the particular once more to exemplify the destination of those on the flight from reality. What of the intellectuals who have engineered the journey? What is their fate? What are the ineluctable consequences of their act? They have moved the pen into the orbit of the sword; in a sense, they, too, have taken the sword. The pen is only mightier than the sword so long as it is independent of the sword. Once it comes into the orbit of the sword, it comes under its sway. Those who push the pen must serve those who wield the sword. They must become the adjuncts of those who have political power, or

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give up their influence. It depends upon the circumstances whether they will literally perish or not. For those interested, there is an object lesson in what happened to communist intellectuals in the Soviet Union. They either knuckled down to the political power or were silenced. What is going on in the United States is much more subtle today. More and more research and teaching are becoming dependent upon government bounty. Already the path to preferment – to research grants, to positions in great universities, to book publication, and so forth – is virtually closed to those who will not pay their tribute to Caesar in the form of fulsome praise for Leviathan.

The pen is mightier than the sword when it is moved to express truth; it is but an adjunct of the sword when it can only be effectively used in praise of the state. Free speech and press may never be forbidden in America, but the time approaches swiftly when there will be no organizations which are independent of government support and whose leaders will dare to risk the consequences of biting the hand that feeds them by succoring those who dissent from official positions. When this occurs, tyranny may have come, but there will be no effective voices to say it nay. Those who take the sword perish by it.

***Recheck the Premises***

In conclusion, it may be appropriate to say something about the return to reality. Much could be said under this heading. Since the flight occurred initially in the realm of ideas, it might be apt to suggest the rethinking of premises. Much might be accomplished by a return in humility to the discipline of philosophy, by learning again both the limits and possibilities of thought, by recovering the breadth of philosophy and substituting it for the narrowness and exorbitant claims of ideology. But most of us are not philosophers, and, if we were, there is not space here to explore the topic.

It will be better to conclude, instead, with something that is relevant to everyone. There is a clue to the return to reality in certain passages in the Bible which have to do with swords. The following is from Micah (RSV):

> For out of Zion shall go forth the law,
> and the word of the Lord from Jerusalem.
> He shall judge between many peoples,
> and shall decide for strong nations afar off;
> and they shall beat their swords into plowshares, and their spears into pruning hooks;
> nation shall not lift up sword against nation, neither shall they learn war any more.

That much is familiar and has

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served as texts and the basis of song on many occasions. What immediately follows may not be so well known:

but they shall sit every man under
his vine and under his fig tree,
and none shall make them afraid....

To say that every man shall sit under his vine and under his fig tree, to couple this with plowshares and pruning hooks, is a way of saying, I think, that every man should tend to his own plot of land. Or, we shall have peace when each man tends his own plot. There is great wisdom for us in this. The flight from reality has taken us into a way of thinking which justifies every man trying to tend every other man's plot of land. The sword has been taken to force people to do what others think they should. Meddlesomeness, busy-bodiness, do-goodism have been linked with the sword to produce the turmoil of our times.

There is guidance, too, as to the meaning of life in these passages. It is not in restless efforts to make the world over, not in political adventures to solve problems, not in the making of collective decisions about all that concerns us, not in embroilment in the affairs of others, not in living the lives of others, that we can find meaning and fulfillment. The restless quest for power is not assuaged by the acquisition of power; the appetite is only whetted for more. Trying to manage other people's affairs does not bring peace and concord; it only arouses resentment and leads to conflict. The meaning of life is not to be found in the use of force to translate ideas into actualities. It is not in the assertion of our wills over others that we grow and attain maturity.

Such meaning as there is to life on this earth is found in tending our own plot of ground, in tasting the fruits of our own labors, in developing our own skills and perceptions, in sharing with others freely, in doing that which is appropriate to our talents, in striving to fulfill our ideals for ourselves, in the pleasure of a job well done, in the company of friends who have chosen us and whom we have chosen, in bringing up our own children, in short, in sitting under our own vine and fig tree. It is so, says the Prophet, "for the mouth of the Lord of hosts has spoken." Each of us makes his own return to reality when he concludes with the poet:

*In His will is our peace.* ◈

—THE END—

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# PROTECTIVE TAXES AND WAGES

WILLIAM GRAHAM SUMNER

THE DISCUSSION of protectionism in the United States constantly turns upon questions of wages. The question has two forms. The employed argue that protective taxes will make their wages high. The employers argue that protection is necessary for them, because they have to pay high wages. . . .

Protective taxes aim to keep foreign products out of the country, in order to secure the home market to the home producers. These taxes, therefore, make commodities dear, scarce, and hard to get. But the commodities in the country are what constitute the wages of laborers. If the amount of these commodities is rendered smaller than it might be, how can that raise wages, looking of course not at money wages, but at real wages, or the comfort attainable by the laborer?

There is no real propriety in discussing wages apart from other elements in the comfort of the population. Protective taxes lessen the available comfort in the reach of all members of society; they curtail the enjoyment which each citizen might get out of each hundred dollars of income. If I discuss wages as a separate question, I do so only because the question has been so raised, not because I concede that the laborers have any separate interest which can be, or ought to be, discussed by itself. It is pure demagogism to represent it as one of the functions of the Government to make wages high, or in any way to pet the laboring class. The protective taxes press upon all, even upon the protected, who mutually plunder each other.

From an essay in the *North American Review*, January, 1883, pp. 270-76.



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The lowering of real wages, by making commodities scarcer and dearer, is the way in which the wages-class are subjected to their share of the effects of protective taxes. . . .

### *Why Wages Are High*

The fallacy in the notion that protective taxes make wages high is the same as the fallacy in the notion that trades-unionism makes wages high. Protection and trades-unionism act on the same principle. Trades-unionism inculcates negligence, slackness, and shirking. It teaches the men not to take pains, not to try to excel, not to do good work, and the philosophy of it is that the men should not try to produce, but should try not to produce, on the theory that if things are made scarce and dear and hard to get, that makes "work," and so makes wages high. If that philosophy were sound, all the classes which consume but produce nothing – like soldiers, paupers, idle women, idle rich, gamblers, criminals, and convicts – would be all the time raising wages, and they would lower wages if they should go to work, and not only consume but also produce. On the same philosophy, the Pittsburg rioters were sound economists when they let the city burn down, thinking that it would make work and raise wages.

The protectionist and the trades-unionist both think that wages are increased when things are made scarce and hard to get. First they confuse wages with work, and then they confuse work with toil, and they think that they have increased wages, that is, good things to enjoy, when they have only increased the toil by which things are obtained. The truth is that wages are raised only by industry, thrift, temperance, prudence, and economy, producing abundance and increasing capital, not by any dark and crafty devices for producing scarcity and bad work.

We may now look at the other notion, – that high wages make protective taxes necessary. People who believe this must have a queer idea of the economic laws of society. They must think that a blessing and a calamity are not to be distinguished from each other. The wages paid in any industry are only one of the conditions of production. . . .

### *Inefficient Management*

If a capitalist says that he cannot pay the current rate of wages, the first answer that should be made to him is to tell him not to do it then, for he must be misapplying his capital in some way or other. The market rate of wages is set by the supply and demand of labor, and there must be some in-

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dustries which are able to win profits while paying that rate.

But when our petitioners appear before committees of Congress to ask for protection, and allege that they need it because wages are high, when has any one of them ever been subjected to an examination to learn whether he understands the business he has engaged in, or has an adequate capital, or has faithfully devoted himself to business, or has judiciously located his establishment, or has bought his raw materials wisely, or has adopted new machinery rapidly enough, and yet not too rapidly, or has organized his industry with good judgment, and so on indefinitely? Surely these inquiries would be to the point, when a man pleads for power to tax his fellow-citizens to make up the losses of his business.

Wages are one of the essential expenses of any business. If it cannot pay wages at the market rate, it is not a "business"; it is either a play or a swindle. If it is said, as it constantly is, that American industry in general should be protected because American wages are high, the decision is made to turn on a single point when there are a score of conditions of industry which would need to be taken into account. What are the facts as regards cost and convenience of raw materials, facilities of transportation, cost and quality of machinery, climate as affecting industry, character of the people for industry, intelligence, and sobriety, security of property and order under the Government, excellence or otherwise of the tax system? These are the conditions of industry as between nations, not comparative rates of wages. . . .

#### *Who Pays the Tax?*

It is said that we cannot compete with those who pay less wages than we. There are two classes of persons with whom one cannot compete,—his inferiors and his superiors. A physician might find that he could not compete with a laborer in digging a ditch, or with a great financier in managing a bank. Could any tax enable him to compete with the banker; that is, to compete with his superior? On the contrary, if he should complain that he could not compete with the laborer because he could not afford to employ his time in an occupation which is less remunerative than his own, every one would ask him why then he desired to compete?

Now, could a tax enable him to compete with the laborer? Indeed, it could. It could intervene to deprive him of the services of the laborer, and force him to dig his own ditch, abandoning a profession in which he could earn ten

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dollars a day to spend his time in an occupation worth only a dollar. This last is the only way in which protective taxes enable us to compete. They put us in a position such that we abandon occupations in which we might earn the high American rates, in order to do things which other people would do for us at half the price.

Lower wages abroad, therefore, are not a reason for protective taxes, but just exactly the contrary. Our high wages are a proof that we can better occupy our time. They are a proof that we have means of employing our capital and labor, which are highly remunerative; and to make them an argument for protection is like arguing that a rich man needs charity, or a strong man help. ◈

IDEAS ON LIBERTY

## *Comparative Advantages*

SUPPOSE a physician earning $10,000 a year buys his vegetables from a local farmer whose income is around $3,000. Does that mean that the doctor's income will decline toward that of the farmer? On the contrary! Both are specialists. By having someone else raise his vegetables, the doctor can specialize and become even more proficient in his job. If he were forced to raise his own vegetables and if the farmer were forced to doctor himself, neither would be as well off. Specialization and free trade improve the conditions of all participants. This is as true for foreign trade as for domestic trade.

Tariffs encourage the production of some things in which the country is less efficient and discourage the production of other things in which the country has a comparative advantage. The total value of production, so far as consumers are concerned, is less than it would otherwise be – and this means that real wages are held down by reason of tariffs. So, rather than *protecting* domestic wages generally, tariffs *lower* real wages in all countries affected.

W. M. CURTISS, *The Tariff Idea*

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# *Shedding Friendships*

JOHN DOS PASSOS is one of those persons who learned the hard way. But he learned. His book about his younger years, *The Best Times* (New American Library, $5.00), is a record of his travels and friendships up to the mid-nineteen thirties, and they were the "best" years only in the sense that the author was young and adventurous and the "times" were not yet sullied by the worst of wars. From the standpoint of philosophical and political understanding they were not good years at all, for during the whole long interwar period John Dos Passos was still under many illusions. He had to outgrow many places and friends in order to discover that freedom was right where he had left it as a boy, in the America of his father's time, which was before the lures of socialism had captivated the generation that came of age around 1917.

The book begins with Dos Passos' effort to make his father's "figure stand up out of the shades." Old John Dos Passos Senior comes alive because his son has letters to quote from in building up the portrait. Under the intensity of the prose one senses the love-hate attitude that governed young Jack's relations with his father. It must have been a most difficult childhood, for John Dos Passos was born late in both his mother's and father's lives, and his parents, as Dos Passos delicately puts it, were not able to "regularize" their son's "civil status" (i.e., legitimatize him by getting married) until he was in his teens. The sad thing about the parents' marriage, which followed a long love affair, was that Dos Passos' mother, who had looked forward to a few years of peaceful family life, succumbed to a mortal illness in which she had to be cared for like a child. When he was sixteen and living through the stale heat of a Washington, D.C., summer, Dos Passos was left alone for a period with his mother. He had to do the marketing and



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pay the household bills, and clean up after a drunken cook. In the earlier years of his youth Dos Passos was tucked away in English schools before prevailing upon his father to let him come home to America, where he went to Choate and Harvard.

#### A Stern Father

The conditions of Dos Passos' childhood made him a curious but somewhat aloof spectator of life. He admired his father's individualistic character, but the old man was obviously a bit overpowering. The father was a Gold Democrat, a corporation lawyer, and a hater of Theodore Roosevelt. His fee for legal advice to the Havemeyer interests on forming the "sugar trust" was reputedly the largest on record.

Dos Passos pictures himself as coming home from school and offering "some ill-founded opinion." His father would forthwith irritate the boy's "budding ego" by taking off his glasses and asking: "Is that remark the result of experience or observation?"

So the son fought a hidden duel with his father until the old man died. Years later Dos Passos came to appreciate his father for having dared to be himself. Dos Passos Senior was actually a man of great foresight. "Suppose the Allies do destroy German militarism?" he asked. His answer to his own question was that "another power or syndicate of nations stronger than the Germans will be born from the ashes of Prussia."

Probably John Dos Passos was luckier than he knew in having lived through a very special childhood. He read prodigiously in the long, lonely stretches. His sense of being "different" made him reflective. The periods he spent abroad gave him a taste for travel. And the recollections of his father's "eighteenth century" mind eventually drew Dos Passos back to the Jeffersonian years of the American Republic, with the result that he could reject the socialism of his twenties without too much spiritual travail.

#### Searching for a Cause

It was a long time, however, before John Dos Passos was willing to admit to himself that "politics in our day is more destructive than fifteenth century religion." He could only sense this on the occasions when the orthodox Leftists, following the "party line," tried to provoke him into making an unqualified declaration in favor of communism. As an ambulance driver in France Dos Passos was against "imperialist" war. But he couldn't follow the Frenchman Louis Aragon and become an out-

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and-out Marxist. Working with collectivist theater groups in New York City, Dos Passos couldn't quite bring himself to toe the line in his own plays. His novels, though sociological in their scope, were most vivid when individualistic heroes were on stage.

Dos Passos couldn't even give himself to Bohemia. He stood a little apart from the roisterers of the Left Bank cafes. He went to the Near East, to Iran, to the Bedouin deserts, and to Soviet Russia, but, though he reveled in the colors, the sounds, and the scents of exotic places, he never quite "identified" with any of the movements he wrote about in his "painter's eye" prose. In Russia he was impressed by the ironists, such as the man who considered "Peter the Great, who brought order out of chaos, the first Bolshevik." Dos Passos admired and liked the Russian people, but when an actress friend asked "Are you with us or against us," he jumped on the Warsaw train in the steamy Moscow station without answering. And he says that when he crossed the Polish border—Poland was not communist then – "it was like being let out of jail."

### *Signs of Maturity*

Dos Passos' friendships with E. E. Cummings and Ernest Hemingway took different courses. He never broke with Cummings, whom he considered to be the "last of the great New Englanders." But Ernest Hemingway and Dos Passos began to have their differences at the time of the Spanish Civil War. True to his temperament, Dos Passos sided with the anarchists against the Stalinist regulars who wanted to win in Spain only to turn the republic over to communism. Hemingway, less probing in his politics, did not fight the Stalinists.

Speaking of the rift with Hemingway, Dos Passos says that "when the meaning of political slogans turns topsy-turvy every few years, anyone who tries to keep a questioning mind, matching each slogan with its real-life application, each label with the thing itself, has to put up with having old friends turn into unfriends and even into enemies." Maturity, to Dos Passos, meant the inevitable "shedding of friendships." "In an age like ours," so he expands the point, "when political creeds drive men to massacre and immolation, political opinions become a matter of life and death. Differences which, when men and women are still in their twenties, were the subject of cheerful and affectionate argument brew recrimination and bitterness when they reach their thirties."

What Dos Passos doesn't say is

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that he kept on growing intellectually where Hemingway did not. But we can say it for him. ◈

▸ *THE GENEROSITY OF AMERICANS* by Arnaud C. Marts (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1966. 240 pp., $5.00)

*Reviewed by Richard Christenson*

DEFENDERS of the welfare state often base their case on the assumption that few Americans would be inclined to support the necessary educational and welfare needs of our nation, or would lack the means if they had the inclination; government, therefore, has had to step in. Mr. Marts, a professional fund raiser, explodes this assumption. He shows that the helping hand has always been extended in America, that the generosity of individuals worked out solutions to all sorts of problems long before government intervened. His historical research traces our tradition of voluntarism, for carrying out good works by personal giving and private philanthropy.

Although many of his examples are lengthy and of only passing interest to the average reader, the author gives an intriguing account of how effective private philanthropy has been and is even now. The American people gave more than $11 billion last year to finance everything from local universities to national arts and science projects; the generosity of Americans is beyond question. Mr. Marts shows that in contrast to Europe and Asia, where philanthropy is practiced by only a few, American generosity is widespread. Last year over 40 million Americans, individuals and families representing all economic levels, made contributions to various causes. This national characteristic is not something new but was in such obvious contrast to Continental practice that Alexis de Tocqueville praised it in his writings over a century ago.

How much would people give if the progressive income tax were abolished? This is an interesting question. An answer is suggested in the data provided by the author concerning the acceleration of private giving in England during the reigns of King Henry VIII and Queen Elizabeth when the Tudor Charitable Laws were first enacted. It was from this beginning that the generous men and women of England started so many projects to help the underprivileged and poor of the nation that it makes our present war on poverty pale by comparison.

Private philanthropy satisfies something deep in the nature of the giver, Mr. Marts points out. "For some reasons, unseen and

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even not fully comprehended (like most spiritual motivations), many generous givers develop giving as a habit; a pleasing and satisfying refinement; a meaningful expression of their personality . . . numerous examples provide eloquent arguments for the critics and seem to show that if anything, giving tends to increase the capacity of individuals to share."

Private philanthropy has also proved to be the most creative and imaginative way of introducing new solutions to social needs: "Private generosity for the public good does [the] pioneering."

The late A. M. Schlesinger, Sr., writes: "In contrast to Europe, America has practically no misers and the consequence of the winning of Independence was the abolition of primogeniture and entail. Harriet Martineau was among those who concluded that 'the eager pursuit of wealth does not necessarily indicate a love of wealth for its own sake.' The fact is, that for a people who recalled how hungry and ill-clad their ancestors had been through the centuries in the Old World, the chance to make money was like the sunlight at the end of a tunnel. It was the means of living a life of human dignity. In other words, for the majority of Americans it was a symbolism of idealism rather than materialism. Hence, this 'new man' had an instinctive sympathy for the underdog, and even persons of moderate wealth gratefully shared it with the less fortunate, helping to endow charities, schools, hospitals, and art galleries and providing the wherewithal to nourish movements for humanitarian reform which might otherwise have died a-borning."

But now government is deep into fields once the domain of private philanthropy. It seems somewhat contradictory that we would go to so much effort to breathe life into something and get it started privately and then allow government with its historic inefficiency to adopt and support the newborn creature. What would happen today if the government's role were reduced, permitting people to keep the dollars now taxed away? In such an unhampered atmosphere of freedom the private sector could once again assume its responsibility for generous giving on even a more massive scale than now. ◈

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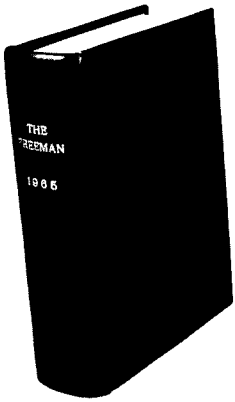


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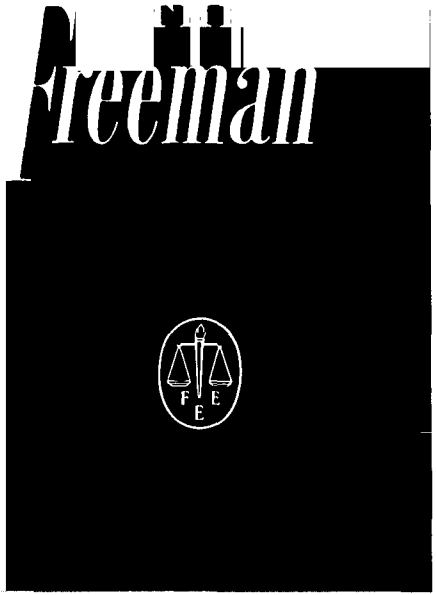


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